

# Unleashing Philanthropy's Big Bets for Social Change

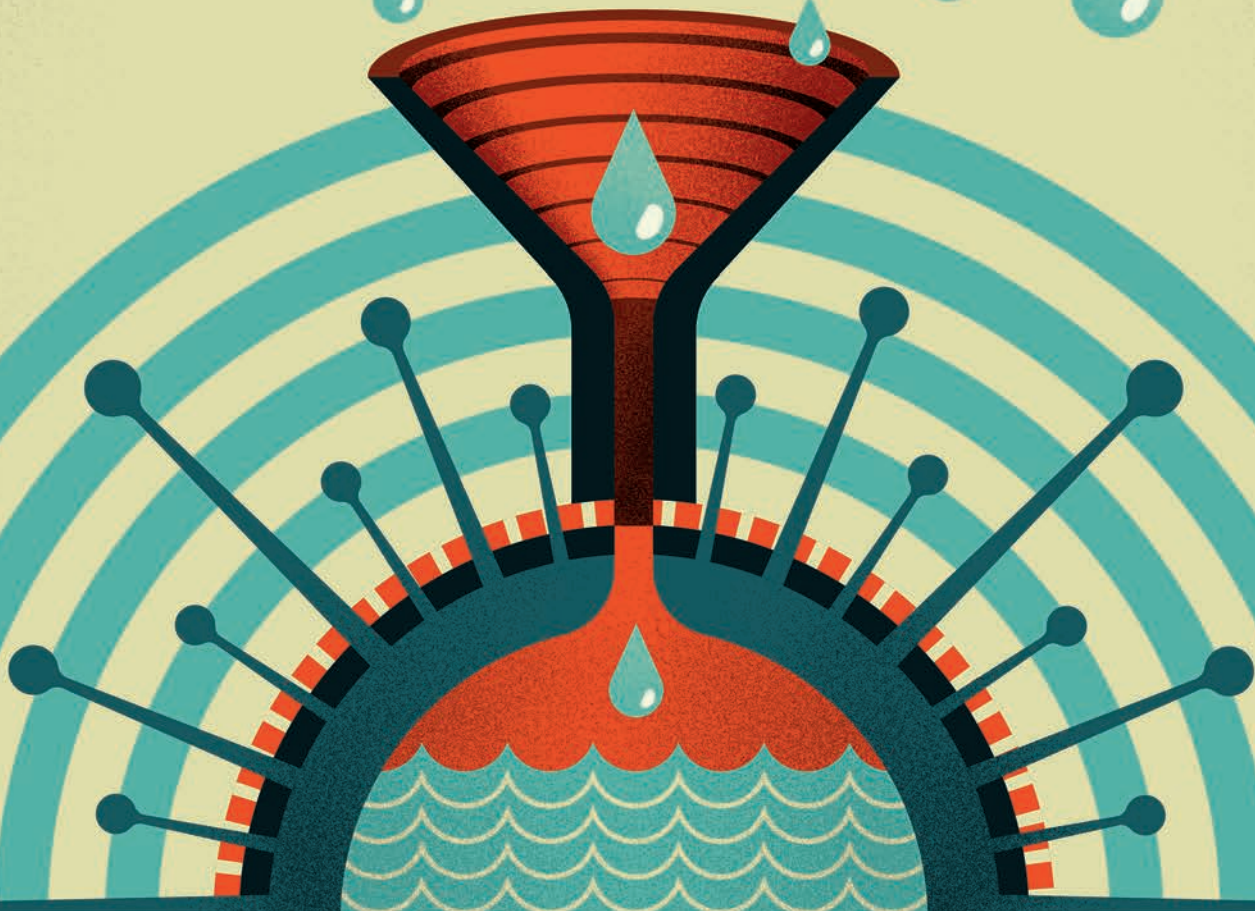


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The Bridgespan Group is pleased to present this supplement to *Stanford Social Innovation Review*, “Unleashing Philanthropy’s Big Bets for Social Change.” It brings together the latest thinking about how big-bet philanthropy is changing the ways that social entrepreneurs, nonprofit organizations, donors, and advisors are working to have an impact on major social challenges.

In the following pages, leaders from across the social sector offer their perspectives on big bets—what they are accomplishing, what it takes to land a big bet, and what needs to happen to expand opportunities for big bets and help more social change leaders lay the groundwork to envision and deploy far-reaching gifts with the capacity to launch transformative change.

# Introduction

BY WILLIAM FOSTER

**I**n 1993, there were 310 billionaires worldwide. Today there are more than 2,200, and their fortunes are collectively worth more than \$9 trillion. This massive increase in the wealth of our world’s most affluent is creating shock waves across society. What does this wealth portend for society and social change?

Philanthropy is at the center of this story. Importantly, many of those with the greatest wealth are being explicit about their intention to spend their assets for global good, including 187 who have signed the Giving Pledge to donate at least half of their wealth. This is not a cultural dynamic to be taken lightly. For many civic leaders, social entrepreneurs, and advocates, such funding opens potential new horizons and presents opportunities to tackle longstanding problems that afflict millions.

At the same time, the philanthropy made possible by this increasing wealth has attracted vigorous critics. Some argue that philanthropy will have only modest effects yet serve to distract the public from scrutinizing deeper inequities that the wealthy intend to preserve. Others argue that rather than having only modest effects, the greater risk of such philanthropy is that it will change societies in major ways, and that doing so via private rather than governmental means is inherently undemocratic.

Philanthropy’s biggest gifts, what we call “big bets,” offer an important window into this debate. These gifts can help us understand what philanthropy is and is not doing. How many are focused on issues of poverty and justice? Are these wealthy donors giving nonprofits and communities the freedom to do their work? Can these gifts have significant and enduring impact? Could the number of big bets increase significantly?

From our work, what we have learned so far is that big bets have played a pivotal role in propelling major social advances, from eliminating age-old infectious diseases to securing civil rights for repressed populations. Yet, looking at the gifts of all US donors to causes anywhere in the world, the large majority of major gifts still go to universities, medical research, or cultural institutions. While these gifts strengthen important pillars of a vibrant and educated society and advance scientific frontiers, few of these institutional gifts are focused on poverty, justice, or other social change goals—causes that major donors say are the dominant motivation for their philanthropy.

There are, however, heartening signs. US donors’ social change gifts of \$25 million or more have grown from 18 in 2000 to 69 in 2017. The Bridgespan Group believes that the growing numbers of major gifts made thoughtfully to address tough social problems is a good thing for the world.

At the same time, philanthropic giving is not making a dent in the wealth that continues to accumulate. There is a yawning gap between

the very wealthy’s current level of giving and their full philanthropic potential. In the United States, families worth over \$500 million give an average of 1.2 percent of their wealth per year to philanthropic causes. If current appreciation trends continue, donors seeking to channel half their wealth to philanthropy within the next 20 years would have to contribute more than 11 percent of their wealth annually, which would mean a nearly tenfold increase over their current rate of giving.

Since the publication of “Making Big Bets for Social Change” in *Stanford Social Innovation Review* just over three years ago, the topic of philanthropy’s big bets has been receiving more attention, and that article is increasingly used as a framework by philanthropists and nonprofit leaders alike. In this special issue we seek to inform the current debate on big-bet philanthropy by:

- Providing an overview of trends and reflecting on what we can learn from recent highly promising social-change bets
- Introducing new research in two articles: one for nonprofits and NGOs that aspire to secure major philanthropic commitments (“Becoming Big Bettable”) and the other for foundations that aspire to concentrate their giving for greater impact (“Reimagining Institutional Philanthropy”)
- Sharing a range of critical thinking from philanthropy and nonprofit leaders and experts on the opportunities for and challenges of big bets

Today, we stand at a pivotal moment in the history of philanthropy. With the rapid growth in wealth over the last two decades come unprecedented levels of giving and commitment to bettering society. For example, in 2017 US giving exceeded \$400 billion for the first time,<sup>1</sup> and charitable assets in donor-advised funds reached an all-time high of \$110 billion.<sup>2</sup> And in the next two decades, as more of the world’s wealthiest people reach their sixties, more and more of them will be making critical decisions about their giving.

These decisions will lead to one of two possible outcomes. In one, giving to the most promising opportunities grows dramatically, creating a renaissance of innovation and impact that is genuinely focused on society’s greatest needs. The other outcome is that philanthropists’ giving levels advance modestly and focus on less ambitious initiatives, leaving both society and donors disappointed. As this special issue details, when big bets are used with discipline, ambition, and humility, they can be a channel to help philanthropy achieve the better outcome. ●

## NOTES

- 1 “Giving USA 2018,” Giving USA Foundation, <https://givingusa.org/tag/giving-usa-2018/>.
- 2 “2018 Donor-Advised Fund Report,” National Philanthropic Trust, <https://www.nptrust.org/reports/daf-report/>.

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# Becoming Big Bettable

Social change leaders can create more investment opportunities that can transform the world by following these guidelines.

BY WILLIAM FOSTER, GAIL PERREAULT & BRADLEY SEEMAN

*If I could just get lunch with Bill or Melinda Gates, I'm sure they'd get it. This problem is one of the most devastating imaginable and our work could really make the difference. I know they'd fund us to solve it.*

— Leading social entrepreneur

Those of us working with nonprofits have probably thought or heard some version of this sentiment: If I could just get a really big donor to see the issue through my eyes and witness the power of the work, then they would be moved to provide the very large contribution we need. The good news is that philanthropists are beginning to make more and bigger bets on social change.<sup>1</sup> But in our experience, these

gifts do not usually stem from getting lunch with the right billionaire. Yes, relationships with donors do matter, and long-term relationships matter when it comes to securing a big-bet investment. Our research shows that recipients receive a median of four prior grants from a donor before receiving the big bet. Several factors, however, particularly lack of clarity on what enduring results a big bet could credibly achieve, often undermine donors' willingness to take the plunge and make sizable and far-reaching grants.

This hesitancy is in some ways good (we should want the largest gifts to support extraordinary opportunities) and in some ways bad (there is a lot of money sitting on the sidelines). Much of this reluctance is caused by factors

nonprofits and nongovernmental organizations (NGOs) cannot control. Too often, aspiring philanthropists let the perfect be the enemy of the good and delay their giving.

When donors consider making a truly big bet, they generally want to do more than fund good work. They want to create change that solves or significantly ameliorates a problem. Yet we have observed that social change leaders, in pursuing exceptionally large gifts, tend to place the heaviest emphasis on the enormity of the problem and on the moral imperative to tackle it rather than on the specific results their efforts could achieve and the specific and logical path to accomplish their goal. Their objective is to make the issue stand out in importance, but the unintended effect is to undermine a

donor's belief that their organizations can make a big impact.

It has been said that there are only seven basic stories in literature.<sup>2</sup> Yet in pitching donors, leaders frequently return to just one: The problem is enormous, you should care about it even more than you do, our organization is terrific, and more money will allow us to do more important work. This is not only a communications problem, it is a strategy problem.

The Bridgespan Group has had the privilege of working with some of the most ambitious social change leaders and philanthropists to help find, initiate, or support more than \$2 billion in big bets over the last four years. In doing this work, it has become clear that one of the largest barriers to deploying more big bets for social change is a lack of what are sometimes called "shovel-ready" opportunities.

Admittedly, there are some thoughtful critics who disagree that the problem is mainly one of supply. "Any donor who wants a shovel-ready opportunity to help humanity with an eight- or nine-figure gift can pick up the phone today and call the office of the United Nations High Commissioner for Refugees," argues David Callahan of *Inside Philanthropy* in one of the companion pieces to this article.<sup>3</sup> "Or they can call any number of large nonprofits right here in the United States that are alleviating suffering and improving lives." We agree with Callahan that funding urgent and ongoing humanitarian needs is an important way for donors to help with pressing problems. Approximately one-third of big bets are gifts to augment the annual budgets of nonprofits doing critical work.<sup>4</sup> Of course, in much ongoing human services work, government funding tends to dwarf all charity. But, given increasing levels of wealth, philanthropic contributions could add up to a meaningful sum in the everyday work of helping people. Philanthropists could do much more here and should not be reluctant to do so.

There is yet another kind of underused big-bet opportunity that nonprofits and NGOs could pursue: the kind that requires organizations to develop a concept worthy of investment for turning a large infusion of philanthropy into

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## Five Elements of a Big-Bettable Investment Concept

1. Important Problem	2. Point of Arrival	3. Credible Path	4. Why Philanthropy	5. Strong Leader and Team
<ul style="list-style-type: none"> <li>■ Ripe for action now</li> <li>■ Addressable market</li> </ul>	<ul style="list-style-type: none"> <li>■ Specific goal</li> <li>■ Enduring impact</li> </ul>	<ul style="list-style-type: none"> <li>■ Believable plan to get to point of arrival</li> <li>■ Mitigation of risks</li> </ul>	<ul style="list-style-type: none"> <li>■ Ability to articulate why philanthropy is the missing ingredient for execution</li> </ul>	<ul style="list-style-type: none"> <li>■ Qualifications, commitment</li> <li>■ Donor cultivation approach</li> </ul>

enduring change. These big bets underwrite the types of social change work that can only be achieved with major philanthropy and that have been at the heart of important societal advances for decades. This second sort of big bet is where we see the supply problem. Because raising dollars for day-to-day operations is often all-consuming for nonprofit leaders, it can be challenging for them to develop the kind of strategy that would attract and warrant such a big bet.

Consider the experience of Splash, a relatively small nonprofit with revenues of about \$3 million in 2017, that in 2018 received a green light for an investment of \$20 million from the Children's Investment Fund Foundation (CIFF), with a match of more than \$12 million from city and state governments in Ethiopia and India, to dramatically expand its efforts to bring clean water to millions across the globe. Splash already had a lot going for it before this gift. It was tackling an enormous problem (lack of clean water for people around the world); it was approaching that problem innovatively, using off-the-shelf technology employed by the most sophisticated corporations, such as McDonalds; it had a track record of expanding its programs and achieving results within institutions such as orphanages in China and public schools in Kathmandu, Nepal; and it had a strong leadership team and good relationships with a few key donors.

But most of Splash's proposals were for the relatively short term. "We had been constantly pitching," says Eric Stowe, Splash's founder and director. "You're pitching a proposal for software, then another for public advocacy, and another for health research, and yet another for direct implementation. All those myriad pitches were usually trying to answer the question 'What result will we see in three years?' What we needed to pursue was a big bet with a vision out to 10 years, and we had to show something far enough along to have proof behind it—but with a meaningful gap to fill." Stowe and his

team pivoted to that longer-term vision and developed an investment concept with a clear and compelling goal: to provide clean water, sanitation, and hygiene to all public schools in two of the biggest megacities in the developing world. They developed a path for getting there as well as a well-articulated role for philanthropy. Splash not only secured a considerable philanthropic commitment, it added to the supply of "big-bettable" solutions for social change.

By our count, 80 percent of philanthropic big bets are going to more traditional institutional recipients such as universities, hospitals, and large cultural institutions, in part because of the relative scarcity of compelling big-bet opportunities for social change. This is true even though our review of public statements by US donors that have committed to the Giving Pledge and those listed in *Forbes' 50 Top Givers* shows that the majority of these donors are committed to supporting social change causes.<sup>5</sup> With their large teams of development professionals and well-packaged giving opportunities such as building campaigns and endowed chairs, institutions know exactly how to put a large gift to use.

Social change organizations often have it harder—which is why we have written this article. With the caveat that not all funders are looking for more "big-bettable" opportunities and big bets are not always the right way to propel some types of social change efforts, we see that an increasing number of ambitious donors are stymied by a lack of compelling opportunities. They, and society as a whole, will be better off if there are more such opportunities to bet big on social change. Social change leaders can create and realize more chances to solve the world's problems if they understand how to develop and frame "big-bettable" investment concepts.

### A MODEL FOR DESIGNING BIG BETS

A strong and big-bettable investment concept has five key elements:

- an important problem,
- a point of arrival,
- a credible path,
- a “why philanthropy” rationale, and
- a strong leader and team. (See “Five Elements of a Big-Bettable Investment Concept” on page 4.)

Two of these, an important problem and a strong leader and team, will already be familiar to almost any leader who has pitched a potential donor. This article focuses on the other three: point of arrival, a credible path to that arrival point, and the role of philanthropy.

### POINT OF ARRIVAL

A compelling investment concept needs a clear and concrete goal or point of arrival. That goal will typically be accomplished over a span of five or 10 years, perhaps even longer, and have an enduring impact.

Of course, every social change organization has goals. Usually there is an overarching vision,

for example, that all low-income American college students will have the same chance to graduate as their wealthier peers, or that every child will have access to clean water. In addition, for a particular grant or donation appeal, there is usually a much shorter-term goal: develop a new participant tracking system or expand the program to another city. A point of arrival occupies a “missing middle” that is much more concrete and specific than a long-term vision and much more ambitious than a short-term goal. It combines concreteness, ambition, and practicality. In the words of American writer Jonathan Kozol, these should be “big enough to matter, but small enough to win.”

Consider the example of City Year. By the late 2000s, City Year was approaching its 20th anniversary. Funded by a mix of federal AmeriCorps money and local and national philanthropy, the organization’s focus had always been on recruiting a diverse group of adults to give a year of service and thereby spreading the idea of national service across the country. City

Year had roughly 1,500 corps members in 20 US cities and they were performing an extraordinary amount of service. But the organization did not have explicit impact goals for that service.

“Twenty years in, we’d succeeded on a lot of fronts,” Michael Brown, City Year’s cofounder and CEO, recalls. “But could the work we were doing solve any particular problem?” Over the next several years, City Year developed its new long-term impact strategy, which focused entirely on public schools (where 75 percent of its corps members were serving) and dramatically improving the number of students on track to graduate. To support this plan, it sought its largest-ever gifts from a core group of existing supporters, including Jonathan and Jeannie Lavine and the Einhorn Family Charitable Trust. Like most big bets, this one grew from existing relationships. (See “Big Bets (Usually) Build on Existing Relationships.”)

“In 2008, we made our first grant of \$200,000 to City Year New York,” explains Jennifer Hoos Rothberg, Einhorn’s executive director. “It was a classic short-term, project-based, early-stage grant that enabled us to get to know the organization and develop our partnership. Next, we made a three-year, \$2.5 million grant to help City Year codify what it meant to be working in schools across all of their sites, focusing on the social and emotional health of students, corps members, and improving school culture. This was an area that City Year was interested in learning about and growing that was also squarely aligned with our mission.”

Jim Balfanz, City Year’s president, concurs: “Before building our investment plan, we focused on establishing a student-centered approach to impact, validating our impact through rigorous external evaluations, and transforming our approach to partnering with schools and districts.”

Over 10 years, the Lavines and the Einhorn Family Charitable Trust have invested more than \$50 million, joining with a core set of lead funders strengthening the graduation pipeline. The specific point of arrival they and City Year sought was to nearly double the number of students who reach 10th grade on track and on time in the schools it served in 10 years.

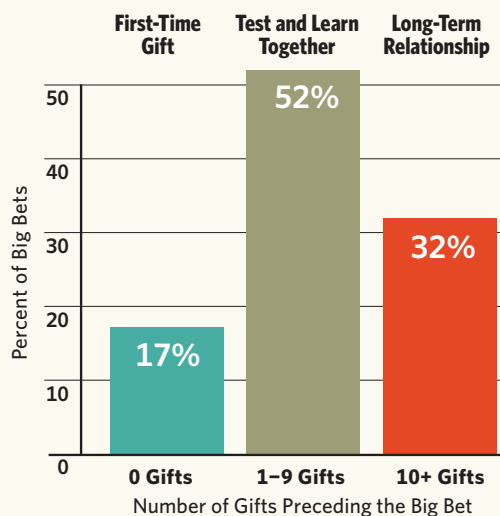
Michael Brown explains that this kind of clarity did not come easily. “Even when we knew that we wanted to focus entirely on schools, we kept asking ourselves, ‘What is our unit of impact?’ and finally, after studying it for a long time, we said that our unit of impact is an on-track student.” As part of its overall goal the organization set three sub-goals: 80 percent of the students in the schools City Year serves will

## Big Bets (Usually) Build on Existing Relationships

**A** big bet is not usually love at first sight, so long-term relationships matter. When Bridgespan analyzed a sample of 165 grants of \$10 million or more from our big-bets databases (gifts from US-based donors to a social change organization or cause between 2000 and 2012), we found that the big-bet recipients received a median of four previous grants from the donor prior to the big bet. At the same time, a significant minority of big bets (like the one that ClIFF made on Splash) are first-time gifts.

Given that more than 80 percent of the big bets on social change in our sample were preceded by at least two prior gifts to the same organization or initiative, and that almost one-third had been preceded by at least 10 gifts, you could think of a big bet as being more of the same. Although a big-bet gift usually builds on an existing relationship, it often moves that relationship to an entirely different level. On average, the big bet was 10 times larger than the most recent prior grant, and receiving the big bet moved the recipient up in ranking in the donor’s portfolio, from being the 50th most significant grantee to the fifth.

It is not unusual for donors to support a wide variety of compelling causes led by social change leaders and organizations. A donor’s philanthropic portfolio may number in the dozens, if not hundreds, of causes and organizations or initiatives. When donors bet big, it is because they are presented with an opportunity at an order of magnitude different from what they have been offered before—an investment concept that allows the philanthropist to see the tangible possibility of enduring change in a distinctive way. This is a new chapter and is built on a compelling arrival point, a credible pathway forward, and a role for philanthropy.



reach 10th grade on track and on time (up from 40-60 percent at baseline); the organization will serve 50 percent of the off-track students in the City Year communities; and it will serve in the cities that account for two-thirds of the nation's urban dropouts.

City Year had the essential elements for a big-bet point of arrival: an ambitious, measurable goal that matters not merely to City Year, but to others involved in public education, too. In developing its investment concept, City Year built on an existing asset, in this case the 75 percent of its corps members who were already serving in schools. But it also created an entirely new impact goal of dramatically increasing the number of students who were on track to graduate in the cities it served. Most importantly for a point of arrival, there was already an existing demand for this goal: Addressing disparities in high school graduation rates was widely seen in the field as a critical element in closing opportunity gaps and strengthening communities.

Donors noticed. "They were making this huge pivot to get to greater impact and outcomes," explains Rothberg, "and because of all the work they did on this, we were able to have greater visibility on what core capabilities the organization needed to build, to learn, and

to improve along the way. It just materialized brilliantly to a place that was now investable. We could see that this new strategy was big-bettable. The partnership was there. We were ready to join other investors with an infusion of capital to make it all happen."

"I supported City Year in the early days," Jonathan Lavine says. "But originally their ratio of content to idealism was light. ... Without the school focus, City Year's work would have remained a generically nice, good deed. We support a lot of generically nice, good deeds. But now, we think of City Year in a different way—and are investing more deeply in them." Many organizations will need to refine or even redefine the way they are thinking about solving a problem in order to develop their point of arrival. For some, like City Year, that change may be the type of impact they are seeking and measuring. For others, it might be the scale of impact. Upstream, which works to reduce unplanned pregnancies by changing the way health centers deliver family planning services, has the long-term goal of achieving change across the United States. And when it recently received a \$60 million grant from Blue Meridian Partners, it was for a more concrete and focused "first chapter" to expand its intervention and implement it in four states serving 1.2 million

women, as well as to begin work in a second set of states.

Both social change leaders and donors want their work to amount to more than a drop in the bucket. But the greater the gap between the vision and the work being undertaken, the more a strategy for achieving it can seem like only a drop. Shifting the focus to a clear arrival point can help close this gap, unlock much larger donations, and focus strategy and resources in powerful ways.

A compelling point of arrival will typically need to include three main components: it must be clear about the specific results that can be achieved; it must articulate a goal that matters and warrants significant support; and it must demonstrate demand for the arrival point from communities, partners, policymakers, and other major stakeholders.

#### CREDIBLE PATHWAY

We have described the point of arrival for the ideal big-bet investment concept as ambitious, concrete, and practical. The credible pathway, by which we mean how the organization believes it can get to its five- or 10-year point of arrival, is where that concreteness and practicality show themselves and where social change leaders increase the odds that they will actually achieve their goals.

## Philanthropists: Look Beyond Your Inner Circle for Great Ideas and Greater Equity

**S**ome thoughtful critics of big-bet philanthropy are concerned that outsize gifts could reinforce society's existing power dynamics around race and class rather than furthering more equitable outcomes. Bridgespan shares these concerns. As a result, we looked at our big-bet database to research this issue. We found reason for hope and reason for concern—and a call to action.

Starting on the hopeful note, a large portion of social change gifts focus on equity, opportunity, and justice causes, some with important effects. Take, for example, several recent big bets that seek to advance the education of America's undocumented youth, close the racial disparity in breast cancer mortality, reform the US criminal justice system, and advance women's empowerment globally. Expanding the number of such large and thoughtful gifts would unleash important change.

We also found, however, that the leadership of big-bet recipient organizations is not particularly diverse by race or educational background. Of the total number of big bets for social change documented in our database that donors committed between 2010 and 2014, only 11 percent went to organizations or initiatives led by people of color. One organization, the Harlem Children's Zone, accounted for a third of those bets. These findings parallel studies showing that people of color are underrepresented in chief executive roles across the nonprofit sector,

with estimates of their representation ranging from 10 to 20 percent.<sup>7</sup>

Although it is difficult to find comparable measures for social class, when we looked in our sample at the college or graduate-school background of leaders whose organizations had received big bets, we found that 42 percent were graduates of Ivy League universities. This is an extraordinary concentration from just eight institutions. The world's billionaires have also disproportionately attended Ivy League schools, which accounted for five of the top seven of their alma maters.<sup>8</sup> While it is good to see so many purpose-driven leaders from these schools focusing on the social sector, it surely speaks to the outsize role of personal networks and shared backgrounds in making the connections and developing the trust to make big bets. These patterns leave enormous opportunities undiscovered and unfunded.

It does not have to be so. Take two examples that demonstrate ways funders have broadened their perspectives. In 2010 Morgan Dixon and Vanessa Garrison, two black women who became friends while in college in Los Angeles, founded GirlTrek, an organization that encourages black women and girls to walk as a practical first step to healthy living, families, and communities. Starting as simply a "radical act of self-care" and taking years to become a nonprofit, GirlTrek now has more than 150,000 walkers and is the largest health movement in the country for black women. Dixon and Garrison secured initial support from Teach for America, won an Echoing Green fellowship, and organized an incredible walk on the National Mall. TED, always researching to find great social innovators, learned about GirlTrek in the *New York Times'* column "Fixes" and asked Dixon and Garrison

Consider marriage equality in the United States. After Massachusetts became the first state to legalize same-sex marriage in 2003, the following year 11 states enacted amendments banning same-sex marriage, often by sweeping vote margins. Eager to put substantial funds behind the fight for marriage equality, major funders led by the Gill Foundation and the Evelyn & Walter Haas, Jr. Fund brought together more than two dozen LGBTQ leaders in 2005 to devise a common strategy.

What emerged from this gathering became known as the “road map to victory” which would create an electoral and public opinion infrastructure capable of winning and maintaining support for same-sex marriage, one state at a time. It identified 100 tangible battlefields that could then be pursued in sequence as part of a coordinated field operation.

This was not simply fighting the good fight. There were concrete milestones, as captured in their “10/10/10/20” set of goals: within 15 years, achieve marriage equality in 10 states, civil unions in 10 states, limited civil protections in 10 states, and a supportive shift in public opinion in the remaining 20 states. Funders came together as the Civil Marriage Collaborative to support the road map. The Haas, Jr. Fund itself contributed \$39 million.

A group of recipient organizations worked together to execute the road map. After a combination of judicial and electoral victories, more and more states enacted marriage equality laws. Then in 2015, the US Supreme Court ruled same-sex marriage was a constitutional right.

Not all ambitious advocacy campaigns succeed, though. Consider initiatives focused on such areas as gun control or school vouchers, where progress has been challenging. Big bets, whether focused on advocacy or direct services, often embody significant risk. A credible pathway does not necessarily mean the exact pathway that change will end up following. The initial road map for marriage equality did not include what ultimately became the winning message (love and commitment rather than civil rights); instead, it focused on creating the infrastructure that would be needed to develop, test, and spread that message.

A credible pathway is, essentially, a strategic plan focused on achieving the measurable goals of the point of arrival. It contains a few elements: a simple logic of the pathway that does not involve a major leap of faith; milestones and processes needed to reach the arrival point; evidence which suggests that it will work, based on what’s been learned from pilots, prior work, external research, or the examples of others;

key inputs (like staff, funding, partnerships); financial projections of costs and revenues; and an analysis of assumptions, risks, and possible mitigation strategies for those risks. Developing a credible pathway does not mean specifying every detail on the journey, but rather, identifying and assessing the major activities that will be required. Sometimes, a lot is uncertain, and big-bet investment concepts often lay out a phased approach for identifying, testing, modifying, and expanding potential solutions.

The financial support and advice that funders contributed to the marriage equality road map were important ingredients in its success and characteristic of donors and grantees cocreating big-bet strategies in a productive way. City Year’s impact strategy likewise embodied a strong partnership between the organization and one of its key funders, Einhorn, to develop a credible path to impact. “Over the three years it took to develop the impact strategy, we did a lot of learning together,” Jennifer Hoos Rothberg says. “I got to know the core team quite well. We had created this trust-filled relationship that enabled me to ask tough, in-the-weeds questions without them feeling like they were constantly under a microscope. That enabled us to collectively get to better answers for questions we were asking, to really understand the

to give a talk that has now been watched by more than one million people. As a result, GirlTrek came to the attention of The Audacious Project (a funders’ collaborative housed at TED), which supported them to plan an expansion into the 50 highest-need communities in the United States and then made a big bet to help fund that expansion.

Or consider Patrick Lawler, who grew up in a white blue-collar family, graduated from Memphis State University, and has spent his entire career working with vulnerable children. He helped turn a failing residential center in Tennessee into Youth Villages, one of the country’s most high-impact nonprofits. Back in 2004, Youth Villages was a remarkable nonprofit success but not on the radar of philanthropists outside of the state. The Edna McConnell Clark Foundation found Youth Villages through a disciplined process of secondary research to discover less-known opportunities and has since made multiple big bets on Youth Villages’ work. Today, the organization has grown far beyond Tennessee to help more than 25,000 children, families, and young people annually, with a complete continuum of programs and services across 15 states and 74 locations.

As our data show, there are real disparities in who has access to opportunities. In a companion piece to this article, Cheryl Dorsey refers to “compound bias”—the multiple, overlapping systemic barriers that stand in the way of channeling more big bets to organizations led by people of color. (See “Hacking the Bias in Big Bets” on page 9.) We know from Bridgespan’s own work that there is a much broader set of initiatives that can change the world than those currently receiving funding.

For philanthropists who want to help close these gaps, we offer four recommendations:

- Dramatically expand the pipeline of the initiatives that you consider. Collaborating with leadership pipelines like Echoing Green, consulting with broader sets of advisors that include individuals from the communities you intend to support, and conducting serious secondary research can help to identify many more possibilities.
- Broaden the range of ways you consider using your philanthropy to create social change. For example, only around 10 percent of social change big bets are focused on building fields and advocating for change, efforts that most directly work to change the fairness of the underlying social systems.<sup>9</sup>
- Track how you are doing on supporting leaders of color and leaders from a range of educational backgrounds. Are you getting out beyond your inner circle? Are those leaders bringing the full range of experiences and perspectives needed to break through on tough problems? If not, consider setting clear goals for the kinds of diversity you are seeking—and measure and manage to them.
- Support promising initiatives to help a broader range of organizations, including those led by leaders of color, get in position to receive big bets. While few nonprofits have big-bet plans sitting in a drawer awaiting funding, many more can develop such investment concepts given appropriate funder support.

For great ideas and greater equity, donors need to look beyond their inner circles and help support a diversity of leaders and initiatives to do their work and to become big bettable.

research, hypotheses, and choices behind the strategy, and develop a partnership where we were already solving problems together.”

### THE ROLE OF PHILANTHROPY

When donors make big gifts to universities, hospitals, or major cultural institutions, the role of philanthropy is usually fairly clear. If it is a building campaign, for example, the gift allows the wing or building to be built. Frequently, philanthropy accounts for the entirety of the funding, so its impact is obvious.

A social change organization often needs to similarly articulate for the donor how a gift of \$10 million or \$50 million will be transformational and achieve whatever arrival point they've targeted. Social change leaders will need to answer the question of why philanthropy is the missing ingredient that will unleash change. In many issue areas, philanthropy is small relative to government funding. In others, the work that philanthropy funds might simply dissipate once funding ceases. Distilling a powerful role for philanthropy requires strategic thought, and there are a variety of roles donors can play.<sup>6</sup>

One of those roles is to provide growth capital, a one-time infusion of funds that enables recipients to achieve a higher level of impact without falling back down to the original state after the funds are spent. The big bets on Splash and City Year functioned in this way. For Splash, the big bet was designed to build something that local actors would then sustain. At the end of five years, Splash's work in Kolkata, India, and Addis Ababa, Ethiopia, is expected to reach the point where local government and local private-sector actors, already well-established in those places, take it over.

City Year, on the other hand, will continue to carry out its work in schools across the nation, and it will continue to require a mix of philanthropic and government funding to support ongoing operations. The growth-capital gift from the Lavines, the Einhorn Family Charitable Trust, and other major investors helped build City Year's capacity for measurement, training, supervision, and the other elements that would ensure that the interventions are delivered effectively enough in cities around the nation to improve student outcomes. For example, City Year has developed an automated data-sharing process for connecting school-district-held, student-level data on student outcomes across attendance, behavior, grades, and social-emotional skills—and it uses that information to customize student interventions. Currently, 14 of its 47 district partners

are sharing student-level data directly into the system or are in the final stages of implementation. City Year is working to expand these data-sharing agreements to all districts in the next phase of its plan. This increasingly strong partnership with school districts has in turn generated additional income from districts. Since the launch of its student impact initiative, the amount of funds that schools and districts are investing in City Year's services more than doubled—from \$18 million in 2012 to nearly \$40 million forecasted for 2019.

Marriage equality was a classic example of using a big bet to wage an advocacy campaign. Here, the role of philanthropy is to take a risk that no one else will take. Such a big bet can provide the critical infrastructure required for movements: materials, people, transportation, legal services, research, and more. It can also represent a vote of confidence, especially when the odds against progress are high. When the Haas, Jr. Fund made its first contributions in support of marriage equality, momentum seemed to be going in the opposite direction, with more and more states amending their constitutions to ban same-sex marriage. Big investments in advocacy offer leaders the time they need to weather defeats and press forward to create change.

For Upstream, which is focused on changing the way health centers deliver family planning services across the country, one of the roles philanthropy played was to fund targeted, one-time technical assistance that will change practice, likely for years to come. Through its time-limited training intervention in health centers, Upstream seeks to create a new standard of service delivery across the nation. Fields ripe for this sort of investment tend to be ones where viable ongoing funding models exist but service delivery is fragmented, important ideas or practices are not in broad use, and competitive dynamics do not seem to push toward improved outcomes.

Many effective organizations will continue to rely on philanthropy in the long run. They may not be able to promise that government will fund the program, or that it will generate its own revenue, or that the change will simply sustain itself. But it is likely that many donors contemplating a big bet will want to know, at a minimum, how, specifically, the gift will help change the capabilities and prospects of an effort over the longer run.

### TOWARD MANY MORE BIG BETS

By developing an investment concept with a clear and compelling arrival point, a credible

path for getting there, and a well-articulated role for philanthropy, already-strong organizations may be able to increase their chances of securing big bets and deploying them with distinctive impact. While we have presented these three levers sequentially, they are almost always iterative: getting immersed in defining the credible path may change the point of arrival; crisply articulating a role for philanthropy may shed light on the credible path.

This article has focused primarily on the work that organizations need to do to get the big bet. But we should not lose sight of the fact that the next 25 years offer extraordinary potential for more big bettors to enter the arena. The bulk of the highest-potential donors are in their mid-60s. They will determine what they do with their wealth in this window. They may well decide to focus on the most traditional giving options, or even leave much of their money in family estates.

We hope the most ambitious among them will consider another path and make big bets on leaders attacking the toughest kinds of social change. The more that do so, the more big-bettable opportunities nonprofits will develop. It is a virtuous circle. In part because of the very large gifts by the Lavines and Einhorn, City Year is beginning to make a dent in the dropout crisis in big urban school systems across the country. Similarly, big bets are helping Splash bring clean water to large numbers of people, and enabling Upstream to embark on a national effort to significantly reduce unplanned pregnancies in the United States. Big bets on social change can and do fail. But they also offer real hope to tackle head-on some of the most important challenges facing our communities, our country, and the world. ●

### NOTES

- 1 See Big Bets list on page 20.
- 2 Christopher Booker, *The Seven Basic Plots—Why We Tell Stories*, London: Continuum, 2005.
- 3 See “Big Bets Are Important. But So Is a Big Heart.” on page 12.
- 4 William Foster, Gail Perreault, and Elise Tosun, “Ten Ways to Make A Big Bet on Social Change,” *Stanford Social Innovation Review*, May 10, 2017.
- 5 William Foster, Gail Perreault, Alison Powell, and Chris Addy, “Making Big Bets for Social Change,” *Stanford Social Innovation Review*, Winter 2016.
- 6 Foster, Perreault, and Tosun, “Ten Ways.”
- 7 For example, the Building Movement Project's “Daring to Lead” reports of 2006 and 2011 both put the percentage of people of color in nonprofit CEO positions at 18 percent. And BoardSource's 2017 “Leading with Intent” study put it at 10 percent.
- 8 “The Wealth-X Billionaire Census 2018,” <https://www.wealthx.com/report/the-wealth-x-billionaire-census-2018/>.
- 9 Foster, Perreault, and Tosun, “Ten Ways to Make A Big Bet on Social Change,” *Stanford Social Innovation Review*, May 10, 2017.



# Hacking the Bias in Big Bets

The president of Echoing Green explains how to get more big bets to flow to organizations led by people of color.

BY CHERYL DORSEY

**T**he nonprofit playing field is far from level when it comes to funding opportunities for organizations led by people of color. In fact, only 11 percent of social change big bets made between 2010 and 2014 went to such organizations. (See “Philanthropists: Look Beyond Your Inner Circle” on page 6 of this supplement.) The rise of large, syndicated funds only increases the chance that this dynamic will persist (or even worsen) unless we proactively address biases in the system.

At Echoing Green, we consider ourselves social-sector angel investors. Our program supports early-stage organizations that work at the intersection of social innovation and social justice. We feel privileged that leaders of color and proximate leaders (leaders personally familiar with the communities being served), who together are working on issues in their own communities, are overrepresented in our fellowship program. This overrepresentation is critical, not only because it serves as a tool to encourage equity, but also from an impact perspective, in part because arguably the social innovators who are closest to their communities have the ideas, talent, and authenticity to effect the greatest change.

Consider Kennedy Odede, a 2010 Echoing Green fellow and cofounder of Shining Hope for Communities (SHOFCO), who grew up in Kibera, the largest slum in Nairobi, Kenya, where he experienced the realities of extreme poverty. SHOFCO is now the largest grassroots organization in Kibera, providing critical services, community advocacy platforms, and education and leadership development for women and girls. Odede was equipped to launch and propel SHOFCO because he understood that the power, creativity, and entrepreneurial spirit of the people of Kibera needed to be the driving forces accelerating

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the organization's impact. Proximate leaders like him are better able to address community problems and identify solutions because they have experienced their community's challenges themselves.

Our aim at Echoing Green is to expand access to funding for all social entrepreneurs regardless of who they are or where they are from. Achieving our objective calls for hacking the bias that exists in the nonprofit sector.

Several interrelated challenges make this goal difficult to achieve. The first stumbling block is a denominator problem. A 2017 study from Building Movement Project found that the percentage of people of color in nonprofit CEO roles has remained under 20 percent for the last 15 years. The study also suggests that this is not because of lack of aspiration or readiness by diverse candidates, but rather that the playing field is uneven.

A second issue is what I refer to as “compound bias”: multiple, overlapping, systemic barriers that stand in the way of unleashing more big bets for organizations led by people of color.

One such barrier is that people of color are less likely to have relationships with big-bet donors. Organizations run by people of color are also more likely to be under-resourced, so they are often not even on big-bet donors' radars. Research also confirms that funders are vastly more likely to invest in people who share the same ethnic, educational, and career backgrounds. This homophily, in this case, “like funds like,” is a significant barrier for organizations run by people of color.

Donors' risk aversion is also at play. Donors sometimes view the types of organizations that are more commonly led by people of color, such as smaller human service organizations that are deeply embedded in their communities, and which can seem less proven or have harder-to-measure results, as riskier bets.

To truly address the structural inequities in the nonprofit sector, many more funders and leaders in the field will need to pursue

approaches to leadership and organizational development that hack bias and structural barriers, which in turn will enable people of color to establish relationships with donors and build the trust in their organizations that precedes a big bet. Let me suggest a few ways we all can start:

**Use brand equity to open doors.** Affiliations with established social impact advisors and investors create crucial opportunities for early-stage entrepreneurs. In the case of Echoing Green, our fellowship programs provide rising leaders with the imprimatur they need to access funding networks that were previously beyond their reach and help them cultivate relationships in the wider nonprofit world. More established social impact investors, be they organizations or individuals, should think about how they can do the same.

**Build big-bet readiness.** We need to create a pipeline for big bets by identifying talented entrepreneurs upstream, offering leadership development, and making initial small bets. The financial investment we make at Echoing Green is only a small part of the support equation. For instance, each fellow is assigned an advisor to help her strengthen her team and develop materials that will resonate with donors. Ideally, this coaching and development will enable a seamless handoff to next-level funders. We've seen it work: Following their Echoing Green fellowships, fellows go on to raise 10 times our initial funding amount.

**Change how we measure.** Common social-sector approaches to measurement, which rely on metrics imposed from the top down and focus on short-term, testable indicators, are not always the right approach for measuring the kind of deep social change so many of our social entrepreneurs are engaged with. The complexity of social change, and the fact that service users and communities are often disconnected from selecting indicators for measurement, make it harder to validate the long-term work of social change and movement building. We need new ways of thinking about what to measure and how to measure it.

The time to build opportunities for the next-generation leaders of color and proximate social entrepreneurs who have the vision to see solutions where others see only challenges is now. Directing our support, and eventually our big bets, in their direction will elevate the diverse talent we need to drive transformative social change. ●

# Big Gift, Big Impact

The cofounder and executive director of One Acre Fund and the managing director of One Acre Fund USA write about the role a big bet played in helping their organization expand its impact.

BY ANDREW YOUNG & MATTHEW FORTI

**W**hether or not you are a believer in capitalism, you must admit: Capitalism is an astonishing force.

When a company produces value, our capitalist system is remarkably efficient at encouraging growth. Early on, angel investors put in small investments. Then venture capital takes over. Then private equity, and eventually, public markets. Successful companies routinely attract \$10 million, \$100 million, and even \$1 billion investments. This regular deployment of large sums of money—big bets—enables rapid, dramatic growth.

Not so in the nonprofit sector, where \$10 million-plus gifts are comparatively rare. From 2000 to 2012, we estimate that such commitments comprised only 3 percent of total social change giving in the United States (where data are more readily available).<sup>1</sup> Regardless of an organization's success, it is extremely unlikely to attract a significant philanthropic investment that can help it reach a meaningful size.

We run One Acre Fund, a nonprofit that provides professional services to smallholder farmers in sub-Saharan Africa. Our aim is to help them grow their way out of hunger and build lasting pathways to prosperity. Every year, we work diligently to meet our budget and hopefully eke out a little bit of growth for the next year. But as we have grown, we have found it increasingly difficult to enlarge our grant base. Even though we are a leading organization in smallholder agriculture, with an effective and proven program model, we are serving less than 2 percent of the total need for our services. In the nonprofit sector, there simply is no equivalent of venture capital, private equity, and public markets—in other words, the kinds of backers who can help us to truly grow.

From our perspective, small gifts lead to small thinking. We are not alone. The prepon-

derance of small grants confines nonprofits to small size. An analysis by The Bridgespan Group identified only 144 US nonprofits founded since 1975 that reached a size of at least \$50 million in annual revenue by 2007.<sup>2</sup> That's a pretty low bar—a large supermarket in your neighborhood, for example, probably has \$50 million in annual revenue.

An increasing number of philanthropists are beginning to change this story. These philanthropists are not merely interested in supporting a range of nonprofits. They wish to produce visible transformation in a few, targeted fields. They realize that accomplishing big things in society requires allocating commensurate resources.

As we can attest, the effects are meaningful. One Acre Fund is proud to be one of seven nonprofits supported by the Audacious Project, which has organized a group of philanthropists to make big bets. Audacious donors agreed to give us \$1 for every \$2 in grants we raise from other sources, thereby contributing fully one-third of our grant funding over a five-year period.

The Audacious grant enabled us to expand our reach, improve the quality of our impact, strengthen our infrastructure, and deploy more resources in service of our mission.

Immediately after the Audacious commitment, One Acre Fund grew from four countries to six. The resources enabled us to meaningfully test and expand the pilots we were running in new countries. In just five years, we believe the Audacious commitment will enable our organization to quintuple the number of farmers we serve annually. We also improved the quality of our impact. For instance, we were able to invest in turning a small tree-planting trial into a major programmatic expansion. Last year, One Acre Fund farmers planted eight million surviving trees. We also built a new Kenya headquarters, which helped us to attract new talent and will ultimately save us money compared to renting. With a larger

footprint, we are now set to receive and deploy more resources more efficiently than ever before, and to dream much bigger about our role in ending hunger in Africa.

We believe social change organizations that can demonstrate successful programs models and the capacity for effective expansion can and should take intentional steps to become more “big bettable.” Here is our advice to fellow social change leaders:

**Dream.** Be ambitious. We found it helpful to take a step back from our immediate organizational needs to consider the entire field we were trying to shift. The possibility of big bets enables step-change thinking, rather than being limited to the immediate horizon.

**Be careful in timing and make realistic plans.** There have been many moments where our organization did not feel able to absorb transformative amounts of funding. In those instances, we invested to ready our programs for expansion. We built substantive, bottom-up forecasts from each of our country operations. We did not have all the answers, but, at the right moment, we felt confident about our ability to effectively deploy a big bet.

**Authentically reflect both heart and head.** Seek ways to communicate the dignity of and inspiration we feel from the people we serve, such as the hardworking mother or the child striving to reach his full potential. This is the heart of what we do. When we marry that to the head in the form of a realistic, cost-effective, and “shovel-ready” implementation plan (to borrow Bridgespan's term), then we create the kind of investment proposition that sophisticated givers demand.

Big bets work. When philanthropists and social change leaders team up to think bigger, they create the potential for transformative change. Well-run organizations that stay grounded in the important day-to-day work while fostering a bigger vision for what they can achieve in their field may be able to find bold, innovative philanthropists who want to invest in their accomplishments. This “big-bets” thinking requires a bolder, less “traditional” approach. But it creates far greater potential for transformative change. ●

## NOTES

- 1 Based on One Acre Fund's analysis of Bridgespan's big bet data and Giving USA statistics.
- 2 William Foster and Gail Fine (Perreault), “How Nonprofits Get Really Big,” *Stanford Social Innovation Review*, Spring 2007.

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# Empowering Nonprofits

The president and CEO of Independent Sector elaborates on how big bets can help redistribute wealth and rebalance the power dynamic between donors and nonprofits.

BY DAN CARDINALI

**I**f a core principle of civil society is to advance private action for public good, then “big bets” may be a critical instrument to help us achieve this objective. I believe big bets are an important development for philanthropy because of two trends.

The first is the increasing aggregation of wealth into fewer and fewer hands. We have a philanthropic structure that has been set up to, in a sense, redistribute wealth. When an individual’s or a generation of family members’ wealth is so vast that it is unimaginable to possibly spend it, the practical reality is that the few who have so much will need to give it away in larger amounts—that is, start making bigger bets. Unless there is a significant change in the tax code, that is the only way we’ll see a substantive redistribution of wealth.

The second development is that the nonprofit sector has matured such that more organizations beyond universities and hospitals are prepared to absorb and deploy seven- and eight-figure gifts. We are seeing increasing numbers of nonprofits evolve beyond service delivery to focus on solving large-scale social problems, thereby creating the coin-of-the-realm investment opportunities that many philanthropists seek. There are just more opportunities for philanthropists to make big bets on pressing social and environmental issues.

The expanded marketplace for big bets, however, must also contend with countervailing trends, particularly rising populism that is shifting from a general dislike or distrust to outward animosity toward “elites” and large institutions. In this light, big bets—insofar as philanthropy is viewed as inherently nondemocratic—can be perceived as an unwelcome expansion of power by elites and a tool to protect their self-interest, as opposed to a measure for driving meaningful, transformative change.

I would argue that big bets present an unprecedented opportunity not only to redistribute wealth but also to rebalance power within the philanthropy sector. Strategic philanthropy,

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that is, approaches where the funder’s and not the grantee’s strategy dominates, may never match this opportunity. With big bets, donors can essentially turn over their resources with the informed belief that people of goodwill are going to bring the best professional expertise, vision, and values to bear on what are inherently adaptive challenges. To achieve this, philanthropists need to be more flexible and more willing to relinquish control. I believe there are a few things donors can do to increasingly shift in this direction:

**Respect** | Donors can begin to reset the power dynamics by approaching grantees with respect, including being mindful of the costs they impose on nonprofits and offering transparency about their grantmaking process. The MacArthur Foundation’s 100&Change competition stands out. MacArthur has by all accounts put together a fair and open selection process. They invested deeply in publicizing the process steps and decision-making criteria. They pulled together a large external committee to democratize the adjudication process. And they progressively upped what they were asking of applicants, graduating to more time- and resource-intensive requests only after whittling the field down to a set of applicants who were highly likely to get significant support—be it from MacArthur directly or through MacArthur’s introductions to other funders.

**Trust** | Donors can signal their faith in leaders of organizations by providing them with general operating grants and unrestricted money.

## Force Multipliers

21 US funders gave multiple big bets in a single year between 2015 and 2018, with eight doing so in multiple years

FUNDER	2015 BETS	2016 BETS	2017 BETS	2018 BETS	TOTAL BETS
<b>Bill &amp; Melinda Gates Foundation</b>	<b>19</b>	<b>24</b>	<b>20</b>	<b>19</b>	<b>82</b>
<b>Bloomberg Philanthropies</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>15</b>
<b>Blue Meridian Partners</b>		<b>4</b>	<b>3</b>	<b>1</b>	<b>8</b>
<b>Lilly Endowment</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>8</b>
<b>John D. and Catherine T. MacArthur Foundation</b>	<b>3</b>	<b>3</b>	<b>1</b>		<b>7</b>
Walton Family Foundation	1	1	2	1	5
<b>David &amp; Lucile Packard Foundation</b>	<b>2</b>	<b>2</b>			<b>4</b>
Howard G. Buffett Foundation	3			1	4
<b>Rockefeller Foundation</b>	<b>2</b>	<b>2</b>			<b>4</b>
<b>Stavros Niarchos Foundation</b>			<b>2</b>	<b>2</b>	<b>4</b>
Fund II Foundation		3			3
Gordon and Betty Moore Foundation		1	2		3
William and Flora Hewlett Foundation	1	2			3
Wounded Warrior Project				3	3
W. K. Kellogg Foundation		2	1		3
T. Denny Sanford			1	2	3
Charles Butt			2		2
David and Dana Dornsife	2				2
Ewing Marion Kauffman Foundation		2			2
Jeff and MacKenzie Bezos				2	2
National Fish and Wildlife Foundation				2	2

Note: Does not include joint efforts. Bolded funders made more than one big bet in multiple years from 2015 to 2018. Figures represent US big bets of \$25 million or more to social change between 2015 and 2018.

Blue Meridian Partners, for example, offers flexible, unrestricted, long-term grants of up to \$200 million each and gives funds to support organizations' ideation and development of theories of change. Impressively, 70 percent of the Hewlett Foundation's grants are general operating support.

**Humility** | Before launching a new venture, donors would be wise to look for similar organizations and initiatives. If a donor needs to launch a new venture instead of investing in

an existing initiative or organization, then that new effort should be informed by genuine community engagement and learn from or build on past efforts and experiments. Take, for example, El Pomar Foundation, one of Colorado's oldest and largest. It convened councils in 13 different regions and, rather than tightly prescribing their work, gave each one an allocation, saying in essence, "You all self-determine what it is you want to do. Tell us how you are measuring progress, and then we roll up what we are learning across the 13 regions." El Pomar also

convenes these community leaders with state and national policymakers, informing policy formulation with community input and trusting local leaders to speak for themselves.

Getting the best from big bets will require more openness to turning over resources to those who have the deep knowledge of and proximity to the problems they are working to solve. Big bets are just that—bets. If you can pull them back, reign them in, and fully control them, then you have yet to make your bet. ●

# Big Bets Are Important. But So Is a Big Heart.

The founder and editor of *Inside Philanthropy* argues in favor of giving that addresses humanity's most urgent needs.

BY DAVID CALLAHAN

**A**n appetite for risk may be philanthropy's top competitive advantage—or at least it should be. Too often, though, funders play things safe instead, which is why it is encouraging to watch deep-pocketed newcomers embrace risk and see how this has reenergized some legacy foundations, such as the John D. and Catherine T. MacArthur Foundation.

But a downside of the growing focus on risk and innovation is that it may be sending the wrong message about what counts as a meaningful result of large-scale philanthropy. The high value placed on novel and ambitious programs may be slowing down the pace at which today's new mega-givers are disposing of their fortunes, and it may be depriving some of the most worthy—but often persistent and intractable—causes of urgently needed support.

A dominant message within elite philanthropy right now is that smart funders should not waste their money on Band-Aid solutions that are applied downstream. Instead, they must search for opportunities *upstream* to make breakthroughs in attacking systemic problems. These days, to pursue significant influence as a major-league philanthropist—and win accolades—you are supposed to be on a ceaseless

quest for innovative and scalable solutions to society's toughest challenges.

The problem, though, is that such promising solutions are not always so easy to find. When donors do identify true innovators—say, some overlooked nonprofit that has found the magic formula for licking this or that social ill—chances are that they will be unprepared to absorb an eight- or nine-figure gift. This explains why research by Bridgespan has found that wealthy philanthropists are often frustrated by the lack of shovel-ready opportunities to make such big gifts.

Bridgespan's response to that finding was to develop a set of blueprints for big bets that donors could simply pull off the shelf. That is smart, just as it is helpful that the most promising proposals submitted for the MacArthur Foundation's big-bet competition are available for anyone to review online at the 100&Change Solutions Bank. I hope that donors are making use of these resources to place more big bets; Warren Buffett is exactly right in often saying that philanthropy is "society's risk capital."

But fueling innovation and breakthroughs is not philanthropy's *only* role. Philanthropy also has an important role to play in helping human beings in need when nobody else is stepping forward or when assistance by others falls short.

Today, around the world, there is no shortage of urgent unmet human needs. Millions

of refugees in tent cities are now experiencing another bone-chilling winter. Millions of children in these camps have no schools. In Yemen, millions of people trapped in a civil war are facing starvation. Last year, nearly 3 million children under the age of 5 died in sub-Saharan Africa. Worldwide, around 100 million pregnancies a year are unintended, with one result being 25 million unsafe abortions that claim the lives of many thousands of women. Meanwhile, according to recent data, one in eight Americans, or 12.3 percent of the population, are food-insecure and many regularly experience hunger.

Any donor who wants a shovel-ready opportunity to help humanity with an eight- or nine-figure gift can pick up the phone today and call the office of United Nations High Commissioner for Refugees (UNHCR), which has long pleaded for private donors to supplement the inadequate aid provided by governments, or donors can call Doctors Without Borders or any number of large nonprofits right here in the United States that are alleviating suffering and improving lives.

But few of the big new donors ever make these calls. Giving for direct services is out within elite philanthropy. I understand why this is so. At *Inside Philanthropy*, the publication I founded and edit, we love spotlighting the savvy funders that are investing in systemic change. There's a real need for more high-leverage giving, and these givers should be encouraged to go after the systemic causes of problems and make more big bets. But philanthropy also needs a big heart. These donors should also be encouraged to move more money *right now*, to institutions such as UNHCR that are ready to spend it immediately to help human beings.

This is not an either-or choice for many top donors. They have enough money to pursue multiple strategies. What they need is more permission to do exactly that from a culture of elite philanthropy that's gotten too smart for its own good—and humanity's, too. ●

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# Reimagining Institutional Philanthropy

Historic growth in wealth globally and the rise of new philanthropists threaten the relevance of institutional philanthropy—while creating new opportunities for impact and influence.

BY ALISON POWELL, WILLA SELDON & NIDHI SAHNI

**T**hroughout the 20th century, large US institutional foundations such as the multiple Carnegie foundations, the Ford Foundation, and The Rockefeller Foundation played an outsized role in philanthropy. By virtue of their large share of the philanthropic

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marketplace, these institutions were able to shape the thinking of policymakers, attract social innovators, and exert influence to bring together the private sector, government, and civil society. As a result, they played a vital role in underwriting social change: They helped to eradicate polio in the United States and then across most of the world; they provided 96 percent of Americans with easy access to free libraries; they helped to reduce smoking in the United States by more than 60 percent; and they promoted a “green revolution” that dramatically increased agricultural production.<sup>1</sup>

But as a consequence of unprecedented worldwide wealth accumulation and the rise of new philanthropists over the last two decades, the largest US institutional foundations (by which we mean independent foundations where the original donor is no longer alive, or, if the donor is living, where there is a substantial staff and other infrastructure to manage the giving) no longer dominate the philanthropic marketplace.

The share of giving that belonged to the largest institutional foundations in the late 20th century has declined precipitously. Consider

how much the landscape has changed: The top 10 foundations in 1993, which together accounted for 15 percent of foundation giving, by 2014 accounted for only 4 percent.<sup>2</sup> Moreover, of the top 10 US-based philanthropies in 1993, only two remained among the top 10 in 2014. More capital is also flowing through other structures, such as LLCs and donor-advised funds, meaning that the decline is even steeper than these statistics indicate. (See “New Models of Philanthropy Are Challenging Traditional Giving Patterns and Traditional Structures.”)

US institutional philanthropy’s share is likely to continue to wane. New capital is coming online. More than 180 wealthy donors (with an estimated net worth of nearly \$1 trillion—and rising) have pledged to give away at least half their wealth, meaning that at minimum \$500 billion will flow to established charities or new foundations in the coming decades. Wealth creation is also accelerating outside the United States, with nearly a quarter of global billionaires now residing in China or India. Today, US institutional foundations are far from the only ones with the influence and infrastructure to deploy private philanthropic capital globally.

This decline in market share is compounded by a sense that institutional foundations are not living up to the full potential of the assets and influence they do have. A recent study by the Center for Effective Philanthropy (CEP) indicates a wide gap between aspirations and impact: 67 percent of foundation CEOs surveyed believe that philanthropy has the potential to make a significant difference in society, yet only 17 percent believe it is doing so. Most of these leaders report that the problem has a lot to do with how philanthropies are operating. Although about half of the foundation leaders surveyed pointed to external challenges, two-thirds cited internal challenges, such as a lack of agreement on goals, having too many goals, unclear decision-making structures, or fear of failure, as especially significant barriers to achieving impact.<sup>3</sup>

The relative stasis has been part of the problem. Clara Miller, president emerita of the F. B. Heron Foundation, notes that “[foundation] endowments create a certain amount of insulation from the market economy” and cautions foundation leaders not to get stuck in “fossilized thinking” as the rate of change in society accelerates.<sup>4</sup> Nancy Roob, president and CEO of the Edna McConnell Clark Foundation

(EMCF) and the CEO of Blue Meridian Partners, agrees: “The fundamental structures and operating models of foundations haven’t changed much over the last several decades. This is largely due to the combination of no outside force requiring them to change and few variations on the basic operating model to inspire innovation.”

We have worked with a number of institutional foundations, including some discussed in this report, and we believe that because they retain distinctive assets for tackling many of society’s toughest problems, they can (and will) wield significant, even outsize, influence in the years ahead. Because they are often structured in perpetuity, many institutional foundations possess a long time horizon, an approach many newer donors eschew. “Many funders set up initiatives that they leave in place for five or 10 years,” says Carol Larson, president and CEO of The David and Lucile Packard Foundation. “But you need time horizons of 15 years or more to really make changes that can stick.” Darren Walker, president of the Ford Foundation, echoes the importance of time: “I can think of two initiatives for which we’re just fully understanding their impact 15 years later. One achieved a lot and the other didn’t

## New Models of Philanthropy Are Challenging Traditional Giving Patterns and Traditional Structures

Over the last two decades, the nation has seen an astonishing growth in wealth among the very rich. The wealth of US billionaires grew an average of 11.5 percent annually between 1997 and 2017. In 2018, roughly 2,000 households are worth \$500 million or more, with a collective wealth of \$4.2 trillion.<sup>19</sup> In the United States, both individual and foundation giving have increased significantly over the last several decades.

As new wealth within the United States and across the world flows to philanthropy, the philanthropists themselves are changing. New philanthropic leaders—living donors—are often self-made entrepreneurs and investors who bring an aggressive, innovative orientation to their philanthropy. As David Callahan, founder of the website *Inside Philanthropy*, told *The New York Times*, “They have a problem-solving mentality rather than a stewardship mentality.”<sup>20</sup> These “impatient optimists” are often willing to experiment, write big checks, and be disruptive in their approach.

Many of these philanthropists do not want to be constrained by foundations endowed into perpetuity, requiring 5 percent annual giving and usually parsed into a broad range of issue areas staffed by a cadre of program officers (who they then need to manage). For example, donor-advised assets jumped from \$57 billion in 2013 to \$110 billion in 2017, with a growth rate of nearly 20 percent annually.<sup>21</sup>

Some donors, often driven by a desire to circumvent the bureaucracy of institutional philanthropy, are creating leaner organizations. For example, Herb Sandler, who, with his late wife Marion, founded and led Golden West Financial Corporation until its sale to Wachovia Bank, chairs the Sandler Foundation, which gives away \$50 million a year with fewer than five staff members. He does this largely through a small number of large gifts to organizations. Other common strategies include relying more on outside advisors than on staff or setting up independent organizations to carry out activities.

Living donors are also increasingly willing to forgo the tax benefit of putting funds into a foundation and are embracing alternative legal structures that enable both for-profit investing and nonprofit giving, or giving to political donations and advocacy. These structures include limited-liability companies (LLCs, which allow for greater control of funds and stocks, diversity of investment options, and more privacy than a foundation) and the 501(c)(4) structure (which allows social welfare organizations to participate in political campaigns and lobbying while maintaining their nonprofit status). For example, the Chan Zuckerberg Initiative, the Omidyar Network, and the Emerson Collective (run by Laurene Powell Jobs) have all set up LLCs to allow for advocacy or impact investing. Even a more traditional institution, the Walton Family Foundation, has set up multiple 501(c)(4)s to support its focus areas.

Living donors who have opted not to create perpetual, staffed foundations may go their own way, but they also may lean on long-standing foundations for inspiration and guidance, creating an important potential new way for institutional philanthropy to have influence.

come close to expectations. But we're only really learning that now."

Two other key institutional assets are knowledge and relationships built around that knowledge. In his 2017 book *Putting Wealth to Work*, Joel Fleishman notes that institutional philanthropy has been "collecting, testing, and refining the knowledge relevant to their respective missions, preserving and enhancing the utility of that knowledge, and passing it along to future generations."<sup>5</sup>

The great flux in the philanthropic sector, evidenced by the declining share of institutional philanthropy as well as the emergence of new, innovative giving vehicles, could be the kind of outside forces that will cause large institutional philanthropy to change. Another force for change is the growing interest in big bets. More foundation CEOs are willing to take greater risks and concentrate more of their resources into compelling opportunities. But they are also finding that the realities of how many large foundations have traditionally worked are often at odds with what it takes to successfully deploy a big-bet approach.

How, then, can institutional foundations build upon historic accomplishments and current assets, despite a relative decline in financial influence? What ways of working most need to change? What approaches will help shift these deeply ingrained practices? These and similar questions are being widely discussed in the field, including the FSG report "Being the Change: 12 Ways Foundations are Transforming Themselves to Transform Their Impact"<sup>6</sup> and Rockefeller Philanthropy Advisors' "Frameworks for Private Foundations: A New Model for Impact."<sup>7</sup>

## FOUNDATIONS' TRADITIONAL PRACTICES STAND IN THE WAY

US institutional foundations' declining share of overall philanthropy, like an outgoing tide, has exposed significant problems in the way they operate. When we examined our interviews with more than a dozen foundation leaders, The Bridgespan Group's numerous client engagements with large foundations over the last several years, and our synthesis of our research and that of others, we consistently identified the same set of operating norms as barriers to foundations achieving their impact aspirations.

**Fragmented giving** | Most large foundations spread their giving over a sizeable number of issue areas. Among the 50 largest US foundations, the median number of issue areas in which they invested in 2014 (the most recent data at the time of our analysis) was 10.<sup>8</sup> Even in its

largest giving area, a large foundation's giving is a median of just 3 percent of all foundation giving in that area. A handful of the largest foundations do have a substantial market share in their areas of greatest interest, but for the typical large foundation, its giving represents only a drop in the overall philanthropic bucket, even in its area of greatest investment. Grant sizes are typically fairly small and spread across a large number of grantees. Those same 50 foundations, which gave away a median of \$120 million in 2014, funded a median of 265 grantees that year, with a median annual grant payout of approximately \$180,000.<sup>9</sup>

Spreading resources this thin can be a problem for both foundations and grantees. Although it enables funders to support many grantees, it also means that too few grantees receive the kind of concentrated, longer-term financial support and nonfinancial assistance that could help propel them to greater impact. Having so many grantees also means that foundation staff typically spend a lot of time on proposals, approvals, and reports, but less time working with their grantees and reflecting on what they have learned. A CEP report finds that, when asked for top challenges they face in providing support to grantees, 64 percent of foundation leaders noted "a lack of internal staff capacity or time" as a top challenge.<sup>10</sup>

**Rigidity in budgets and structure** | As opportunities for impact emerge, large foundations often find themselves challenged to respond. Foundation executives report being frustrated by the lack of budgetary flexibility to make big bets, especially if they fall outside or across existing program areas. Foundations typically have relatively fixed annual budgets allocated across a set of program areas. Usually portfolios are managed by a program officer, each with many grantees (a median of 36 in large foundations).<sup>11</sup> This structure of program areas and portfolios creates a sort of natural rigidity.

"Most foundation presidents or boards in theory would want their program directors or officers—if they realized what they've been trying isn't working—to reallocate or migrate their work," says Daniel Stid, director of the Hewlett Foundation's Madison Initiative. "But in practice, given the work that staff have done to develop the lines of grantmaking and the resulting personal and institutional relationships, it is highly abnormal to do that kind of repurposing." The result is that foundations, theoretically among the most flexible institutions for allocating money to social change, are typically quite constrained in their ability to shift resources, especially in a way that

enables larger gifts and/or more concentrated portfolios.

**Being overly prescriptive about strategy** | While there are times when foundations do (and should) manage detailed initiatives of their own creation, philanthropy is generally about underwriting the work of others outside the foundation. Yet, the structure of many large foundations can make it hard to invest heavily in strategies that do not come from the foundation and its program staff or that do not have the foundation at the center. Clara Miller of Heron likens the structure to a terrarium, meant to be "protective and separate."<sup>12</sup>

Indeed, CEOs of large foundations report significant challenges in collaborating and cocreating with external partners—grantees, communities, and sometimes other funders—in a way that supports their foundation's own goals but gives staff less direct control over the strategies and activities being funded. The desire for this kind of control is natural. At times, Bridgespan has been complicit in helping foundations develop highly specific theories of change that result in treating grantees like contractors. But for foundations that underwrite the work of others, being overly prescriptive about strategy leaves the change-makers with full accountability and insufficient authority.

One contributor is the historical emphasis on issue-area expertise among foundation staff. Our analysis of the largest foundations indicates that 80 percent of program officers have expertise in at least one foundation issue area.<sup>13</sup> Such expertise brings many benefits, including enhancing program staff's ability to develop strategies, as well as identify and vet grantees. But that expertise can often be removed from the firsthand experiences of nonprofit and community leaders and organizations. As Alison Corwin, senior program officer at the Surdna Foundation, writes: "Funders do not always see that the lived experience of many powerful frontline and grassroots leaders is what makes them experts. Their expertise might not fit neatly into a box that funders can check off, and they may not agree with funders' ideas or strategies."<sup>14</sup> Don Howard, president and CEO of The James Irvine Foundation, notes that the traditional "expertise-driven strategy often takes leadership away from nonprofit and community leaders."

## THREE APPROACHES FOR REIMAGINING INSTITUTIONAL PHILANTHROPY

In recent years, we have seen several traditional foundations make dramatic breaks from past ways of work. Some are doing so by moving

towards a big-bets approach and committing significant resources to tackling a well-defined problem. We define big bets not merely as one-shot large grants, but commitments that require focus on a targeted set of outcomes connected to time-bound milestones, as well as identifying a set of leaders who are entrusted with these outcomes. Big bets can be driven by one philanthropy or by a collaborative venture; similarly, they can be granted to one organization or many.

One prominent example of such a dramatic break is the John D. and Catherine T. MacArthur Foundation, the 12th-largest private foundation in the United States. MacArthur announced in 2015 that it would work primarily through programs that were larger in scale, time-limited in nature, with a specific transformative goal in mind. In line with the foundation's mission of a world that is more just, verdant, and peaceful, current program priorities are criminal justice reform, climate solutions, and the reduction of nuclear threats. "The decision to narrow our focus was pragmatic," explains MacArthur President Julia Stasch. "Too many priorities diluted the investment and impact of all of them."

MacArthur's approach is emblematic of three tactics that are being increasingly embraced by the leaders of influential foundations: setting time-bound, right-sized goals;

building in the flexibility to concentrate or shift resources; and ceding control of strategies. We want to acknowledge that these approaches (and the big bets they often set the stage for) are certainly not the answer for every philanthropic effort to achieve social change. Some foundations (including many global funders operating within less developed NGO fields) choose to directly operate their own programs. Others have decided that supporting a very broad range of grantees in the areas in which they work is the best way to have impact. Ford's Darren Walker cautions that it is not always the size of the investment that matters: "I've learned that getting the right ecosystem in place enables grantmaking to sustain its impact—and helping build that ecosystem doesn't always involve a big bet."

**Setting time-bound, right-sized goals** | While ambitious, long-term goals should continue to offer compelling north stars, pairing these aspirations with clear, measurable milestones and "right-sized" resources enables leaders to understand how their strategies are faring and where they may need to adapt. This approach is sometimes described as taking on challenges that are "big enough to matter, but small enough to win." The practice, however, is far from widespread. Our analysis found that although more than 90 percent of large

foundations identified ambitious, aspirational goals, only 10 percent publicly announced a clear, winnable milestone within their leading program areas.<sup>15</sup> There is a need for more "middleware" between the big vision and the individual grants. As Larry Kramer, president of the William and Flora Hewlett Foundation, says "This means making long-term commitments, while leaving room for goals and strategies to adapt and change with the times."<sup>16</sup> This can come in the form of shorter-term, measurable goals that provide critical handholds over the long arc of change that is so often required in philanthropy.

Setting a strategy that involves clear goals and concrete, public milestones requires a substantial shift from managing a portfolio to pursuing specific, measurable impact. Foundations must grapple with how to identify those milestones without tamping down long-term ambition. Consider the experience of The James Irvine Foundation. In March 2018, when Irvine announced its Better Careers initiative, which seeks to help 25,000 low-income job-seekers in California secure employment that pays at least \$18 per hour, it was tackling a piece of a much larger problem by setting a goal and time frame that, in the words of Irvine's Don Howard, was "not so long as to be irrelevant and not so short as to

## How Can I Adapt My Foundation?

**F**oundation leaders who have dramatically changed their institutions' core ways of working did not undertake this process lightly. All of the officials we interviewed acknowledged that it took a major change-management effort. Many of the success factors cited by leaders would be true for any major change initiative: a compelling reason to change, a driven leader, deep board support, a cohort of internal champions, early wins, and a decisive public commitment once a decision was made. Before diving into any major change process, determine that these factors can be put in place.

To understand whether or not the specific types of shifts outlined in this article could create opportunity for your institution, we suggest a few questions for reflection.

### On setting time-bound, right-sized goals:

- What are the most important but realistic impact goals that any of our strategies could achieve, and what near-term milestones will help us determine whether we are on track?
- Are our program staff implicitly rewarded based on the number or amount of grants disbursed? Do we have sufficient processes in place for rewarding program staff for progress toward the foundation's biggest impact goals?
- Can board members articulate our concrete goals and do they

understand how our work will achieve them? Do board meeting agendas reflect our priorities?

### On building in flexibility to concentrate or shift resources:

- How does our foundation allocate funding across giving areas and grantees? Does it take into account relative opportunities for impact?
- When is the last time we made significant shifts in allocations across programs? To what extent are we locked into historical allocations?
- How would we allocate our funds differently if our budget was doubled? Or halved?

### On ceding control of strategies:

- Is there a short list of grantees (within a program portfolio or across program areas) whose work is crucial to the impact we envision? Is there more we can and should do to set those grantees up for success? Could a big bet enable them to dramatically accelerate their results?
- Are we being appropriately deferential to these core grantees on matters of strategy, or is our strategy dominating in a way that could take them off course?
- Who else is active and influential in the spaces we are working in—other funders, intermediaries, nonprofit leaders? Could our work complement theirs? Are there partnerships that could accelerate achieving social impact?



be unachievable.” He notes that initially, this goal, because it addresses a small proportion of Californians in need, felt smaller to staff and the board than past broader goals. Pursuing it required significant change management, most critically, redefining our accountability to ensure the grants could support nonprofits to effectively reach the targets. The board’s role also needed to change. “We needed to move toward longer commitments of funding for our initiatives; commitments that our grantees can count on, providing that progress is on track,” Howard says. “We will protect those resources in a downturn. This means we can now review a rolling five-year grantmaking plan with our board—with a special focus on the core grantees of each initiative.”

**Building in flexibility to concentrate or shift resources** | Foundation leaders are also using a variety of ways to build in flexibility. One strategy is to disrupt programmatic silos. For example, the MacArthur Foundation has been moving away from a traditional program structure (issue-areas staffed solely by experts) to cross-disciplinary teams. “Our teams bring program staff, communications, evaluation, and legal staff all together, and impact investing where relevant,” explains Julia Stasch. “Each team has internal advisors from other areas of the foundation as well, playing the role of critical friend.”

Another way that some foundations create flexibility, while continuing to be organized mainly around issue areas, is by keeping a significant portion of total funding unallocated to specific program areas. This allows for a larger investment in initiatives that can produce greater impact than the typical large foundation’s median \$180,000 annual grant payout, and allows a foundation to respond to new challenges and opportunities without having to disrupt its existing structure. The Ford Foundation, for example, keeps 10 to 15 percent of its budget as discretionary. “Otherwise, we have to extract resources from program areas,” said Ford’s Darren Walker. “But it is very painful to do that. Recently, we made a significant bet on [social justice advocacy], and we needed additional resources. Rather than claw it back from the programs, I went back to the board and they approved an additional \$25 million above budget.”

If foundations can keep from having all their money locked into program silos and create the ability to make decisions across program areas, then they have more flexibility to pursue new opportunities and powerful ideas—to think anew from time to time, rather than be trapped by their historical giving patterns and budgets.

**Ceding control of strategies** | There will always be a place for foundation-driven strategies. But a number of foundations—impressed by the extraordinary vitality and strong track records of some of the sector’s strongest organizations—are listening harder to what is happening in the fields in which they work and giving more creative control to grantees, donor collaboratives, and other stakeholders such as policymakers and researchers and even the beneficiaries they aim to serve. Howard explains that for Irvine this has meant “sourcing our best ideas outside the building, taking cues from grantees and the low-wage workers they serve, and having a user-centered design.”

One of the most common ways that foundations do this is directing larger amounts of capital toward high-performing organizations in order to carry out strategies that are already aligned with the foundation’s own goals. Sometimes this involves scaling the work of individual organizations. Other times, foundations work to build fields through targeted investments in intermediaries who have the autonomy and discretion to direct resources. Often this approach involves giving unrestricted or loosely restricted grants, multiyear funding, and making larger grants to a smaller number of grantees.

Beyond the details of grant size and structure, this approach is also likely to require rebalancing the power relationship between the foundation and grantee, with the grantee largely owning both the strategy and its execution. The “bet” in big bet will often mean that the foundation needs to cede control and put a great deal of faith in a grantee, or group of grantees, to achieve the desired impact.

For some foundations, making this shift may require a change in the kind of staff it needs, with fewer issue-area experts and more generalists that possess strong leadership and management capabilities. This was the case for the Edna McConnell Clark Foundation. CEO Nancy Roob explains that when the foundation moved to a big-bet strategy (focused on investing in grantees with the capacity to significantly expand the reach of their own powerful solutions), “we shifted to generalist talent from content experts. Once we did this, it freed us. We now have people who have run businesses, managed teams, and are great at thinking about delivering results.” The foundation complemented this generalist model with a subject matter and evaluation advisory board, which integrates content expertise and enables them to stay connected with field leaders.

Another way foundations support the strategies of others is by participating in funder collaboratives. Recently, a number of aggregated capital funds have emerged to support funders in giving to causes they care about. Approximately 70 percent of the 40 largest US-based aggregated funds have launched since 2000, including The END Fund in 2012, Blue Meridian Partners in 2016, and Co-Impact in 2017.<sup>17</sup> These collaboratives are bringing together traditional foundations such as Margaret A. Cargill Philanthropies, Hewlett, and Rockefeller with a new generation of donors who are giving while living.

With growing recognition of the importance of constituent input, funders also have the opportunity to cede control to the very communities they seek to serve—by engaging in participatory or community-led grantmaking. These approaches range from ensuring that diverse and representative sets of community members have board seats or participate in strategic planning, to shifting power completely, where decisions on the allocation of resources would be made at the discretion of community members.<sup>18</sup>

## INSTITUTIONAL LEADERSHIP IN THE 21ST CENTURY

Given the dramatic wealth accumulation in recent years and the increasing social challenges we are facing as a global community, the time has never been more right for the type of philanthropic institutions that led dramatic change in the 20th century to provide leadership in the 21st.

Pioneering institutional foundations and their leaders are already laying the tracks. Take, for example, how Blue Meridian, which is not endowed, uses a big-bets strategy that builds on EMCF’s historic expertise to aggregate capital in a way that engages newer philanthropists and helps them give with confidence without having to build large new foundations of their own. Consider as well the moral leadership some foundation presidents are offering other donors in these challenging times, such as Hewlett’s Larry Kramer, with his call to fund climate change, and the exhortation by Ford’s Darren Walker to donors that “giving back isn’t enough” and urging them to seek justice in addition to generosity with their giving.

There are clearly both individual and collective leadership opportunities for these institutional foundations, despite their declining share of US and global philanthropy. Making change is never easy, and, as it has always been, excellence in philanthropy is self-imposed. The challenges of our times, however, demand that we change with them.

By identifying areas ripe for change within their organizations and pivoting where necessary, institutional foundations can not only deploy their funds more effectively, but also may be able to influence and partner with others even more productively, ultimately propelling much-needed social change efforts toward making the world a more just and prosperous place. ●

# Profiles of Big Bets

These five examples of large investments demonstrate the enormous impact they can have on the world's most pressing problems.

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## \$211 Million to the Climate and Land Use Alliance

Climate change is among the most daunting social problems for philanthropists to address. The issue is global in scale, involves a very large number of stakeholders and regulatory environments, and must take into account the continually evolving scientific understanding of how to slow climate change and help communities and countries adapt to it. Even the biggest big bets from individual funders may seem insufficient to make a dent in the problem.

Since 2010, the Climate and Land Use Alliance's (CLUA) five main funders (Margaret A. Cargill Philanthropies, ClimateWorks Foundation, the Ford Foundation, the Gordon and Betty Moore Foundation, and The David & Lucile Packard Foundation) have committed more than a half a billion dollars to a set of common strategies, with \$211 million of that total coming in 2018. Outside of their CLUA work, these funders pursue climate action with different strategies. For example, one strategy focuses on indigenous rights and another on deforestation. But in CLUA, the funders are taking advantage of an opportunity to come together around a shared belief in land use as a climate change mitigation strategy.

Though the "natural technology" of forests is currently the only proven means of removing and storing atmospheric carbon dioxide at large scale, forests and lands receive only 3 percent of climate action funding, according to a 2018 statement from CLUA.<sup>1</sup> The Alliance supports work in three main locations (Central America, Brazil, and Indonesia) and focuses on engaging and building partnerships among governments, indigenous communities, corporate supply chains, and the general public to strengthen land use efforts. Among its results to date, CLUA has been able to convince some of the world's largest paper- and pulp-manufacturing companies to make zero-deforestation commitments. CLUA demonstrates how collaborative

philanthropy can bring together funders with different strategies but a common overall goal in order to focus large investments on a complex issue.

## Big Bet to the Bail Project (total grant size not public)

With 655 people imprisoned for every 100,000 residents, the United States has the world's highest rate of incarceration. On any given day, nearly 500,000 people are in jail despite not having been convicted—merely because they cannot afford to pay bail (often only a few hundred dollars) as they await trial. The bail system ends up incarcerating low-income people almost exclusively, disproportionately affecting communities of color. Time spent in jail leads to lost jobs, lost custody of children, jeopardized immigration status, and risk of assault. On average, those who stay in jail are four times as likely to be sentenced to prison, and these sentences are three times longer than sentences for those released on bail.

The Bail Project is a national effort to disrupt the bail system, providing immediate support to tens of thousands of low-income people while reimagining a more just and equitable alternative. The organization grew out of the Bronx Freedom Fund, which experimented with a model of bail assistance that recycles philanthropic contributions in a revolving fund. The results are impressive: Under the Freedom Fund's program of court reminders and voluntary service referrals, 96 percent of clients returned for their court appearances, 50 percent of cases were dismissed, and less than 2 percent of those for whom bail was paid received a jail or prison sentence.

In 2017-2018, the Bail Project received a big bet from the Audacious Project, a collaborative approach to funding big ideas with the potential to create change at scale. The Bail Project plans to use the investment to build on its success in the Bronx and build an organization to support a national network

and pay bail for more than 100,000 individuals within its first five years. The organization also intends to demonstrate the viability of its model as an alternative to cash bail and spur broader reform of the pre-trial system toward eliminating discrimination based on financial means.

This gift demonstrates how philanthropy can leverage donor dollars for greater impact. When the legal process concludes for a given client, the funds used for bail are returned to the Bail Project. This means that money available for bail can cycle through up to three times each year without loss of the principal.

## \$39 Million to Opportunity Insights

**S**ocial and economic mobility is vital to achieving the American dream. Yet, against a backdrop of rising income inequality, recent research focused on intergenerational mobility from the Harvard University economist Raj Chetty and his collaborators has shown that a child born into the bottom fifth of the income distribution today has less than a 10 percent chance of reaching the top fifth, while a child born into the top fifth is nearly five times as likely to do so.<sup>2</sup> Despite large inequalities in economic mobility by race and geography, their research has also identified bright spots where greater mobility exists.

In October of 2018, a group of donors—the Bill & Melinda Gates Foundation, Chan Zuckerberg Initiative (CZI), Bloomberg Philanthropies, and Overdeck Family Foundation—committed a total of \$39 million to Opportunity Insights, a new research and policy institute based at Harvard University and founded by Chetty along with colleagues Nathaniel Hendren of Harvard and John Friedman of Brown University. By identifying and highlighting successful examples of mobility and understanding how these findings might be applied elsewhere, Opportunity Insights seeks to turn research into policies that will address declining economic mobility across the United States and empower families to rise out of poverty.

In the words of Priscilla Chan, cofounder of CZI, “We want to take luck out of the equation so more children across the country are able to reach their full potential.” The Opportunity Insights gift is also one of the first from a recently announced \$158 million Gates Foundation initiative to promote economic mobility and access to opportunity—a commitment that dramatically extends the scope of the Gates Foundation’s domestic giving.

This collaborative grant suggests how funders with a shared interest in economic opportunity can come together to pursue this common goal.

## \$27 Million to the Susan G. Komen African-American Health Equity Initiative

**B**reast cancer survivorship has increased dramatically in recent decades. Between 1989 and 2015, death rates in the United States declined by 39 percent.<sup>3</sup> Yet women have not benefited equitably from advances in prevention and treatment. African-American women are about 40 percent more likely than white women and 60 percent more likely than Asian-American women to die from breast cancer. A complex set of factors is believed to contribute to this disparity, including less access to screening and treatment, later diagnosis, and higher rates of aggressive forms of the disease among African-American women.

In 2016, Fund II Foundation, led by Robert F. Smith, the founder, chairman, and CEO of Vista Equity Partners, committed \$27 million to the Susan G. Komen organization to create the African-American Health Equity Initiative. The effort aims to reduce the racial disparity in breast cancer mortality by 25 percent in five years across 10 metropolitan areas where late-stage diagnosis and mortality rates are highest for African-American women. To reach this goal, the organization will provide clinical exams, mammograms, diagnostic services, and financial assistance to individuals in need. Smith expressed his passion for reducing this disparity, saying, “No longer should African-American women be more likely to die from a breast cancer diagnosis than others.”

This gift demonstrates a strategic approach to pursuing health equity by focusing on a serious and specific gap in health outcomes and targeting communities with the largest disparities. If the initiative succeeds, it could become an important model for addressing health inequities.

## \$50 Million to TheDream.US

**E**ach year, 65,000 “dreamers,” students with Deferred Action for Childhood Arrivals (DACA) status, graduate from high school, but only 5 to 10 percent enroll in college. These young people have typically lived most of their lives in the United States but face greater

financial barriers to attending college than their peers who are US citizens. They have no access to federal aid such as Pell Grants and subsidized loans, and in many states must pay out-of-state tuition. Given that families with undocumented immigrant status have a median household income nearly 30 percent lower than the US population median, the cost of attending college threatens to put postsecondary education and the promise of economic mobility out of reach for many of these young people.

Sensing a role for private philanthropy, in 2015, Donald Graham, chairman of Graham Holdings Company (previously The Washington Post Company), and Bill Ackman, founder and CEO of Pershing Square Capital Management, joined forces to help lower the financial barrier to college attendance for youth with DACA status. They launched a campaign to fund scholarships for at least 5,000 recipients. Their total \$50 million contribution to TheDream.US over two years provides \$25,000 scholarships for students to work towards a bachelor’s degree at partner institutions. The partner schools must demonstrate a track record of serving low-income, first-generation students and commit to helping scholarship recipients graduate by providing an advisor. So far, almost 2,900 students are benefiting from these scholarships, with a first-to-second-year college retention rate of 94 percent—dramatically higher than the retention rate for low-income college students nationwide.

Graham and Ackman’s gift is an example of a big bet that provides direct service (college scholarships), combined with a clear strategy for success (partnering with institutions that could best support students to graduate). Their commitment was also designed to encourage contributions from others. Since 2015, other funders joining in have included Michael Bloomberg, Bill and Melinda Gates, Pierre and Pam Omidyar, and Priscilla Chan and Mark Zuckerberg. Most recently, in 2018 Jeff and MacKenzie Bezos committed \$33 million to TheDream.US, citing Mr. Bezos’ father’s journey as an immigrant from Cuba. ●

### NOTES

- 1 “Fundors Stand Together in Support of Forests, Rights, and Lands for Climate: Joint Statement Supporting Forests, Rights, and Lands for Climate,” Climate and Land Use Alliance, <http://www.climateandlandusealliance.org/supporting-forests-rights-and-lands-for-climate/>.
- 2 Raj Chetty, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez, “Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States,” *The Quarterly Journal of Economics*, vol. 129, no. 4, 2014.
- 3 “Breast Cancer Facts & Figures 2017-2018,” American Cancer Society, <https://www.cancer.org/content/dam/cancer-org/research/cancer-facts-and-statistics/breast-cancer-facts-and-figures-2017-2018.pdf>.

## Big Bets, 2017-2018

A list of all publicly announced gifts of \$25 million or more from US donors that were dedicated to social change

YEAR	DONOR	RECIPIENT	AMT (\$M)	DETAILS
2018	National Fish and Wildlife Foundation	Gulf of Mexico restoration	280	Support projects that reverse environmental damage from the 2010 Deepwater Horizon oil spill and reduce future risk to natural resources
2018	Joint effort (Bill & Melinda Gates Foundation and Anonymous)	Global Financing Facility	275	Help the Global Financing Facility scale to 50 new countries by 2030, improving maternal, newborn, and child health
2018	Joint effort (ClimateWorks Foundation, The David & Lucile Packard Foundation, Ford Foundation, Gordon and Betty Moore Foundation, and Margaret A. Cargill Philanthropies)	Climate and Land Use Alliance	211	Support the protection, restoration, and expansion of forests around the world (part of a \$459 million commitment to global climate action)
2018	Bill & Melinda Gates Foundation	Improving sanitation	200	Develop a toilet that can turn human waste into fertilizer, for use in environments with inadequate sewer systems
2018	Joint effort (Laura and John Arnold Foundation and Hastings Fund)	The City Fund	200	Launch a nonprofit to expand the portfolio school model to increase control for educators and school leaders and give parents greater autonomy to choose schools
2018	Ralph C. Wilson, Jr. Foundation	Parks & Trails Initiative	200	Help develop parks, complete trail systems, and support the sustainability of public spaces in Southeast Michigan and Western New York
2018	Bloomberg Philanthropies	OceanX	185	Support ocean exploration as a means to foster awareness of and passion for ocean conservation
2018	Bill & Melinda Gates Foundation	Women's empowerment	170	Connect women with market opportunities, study land ownership and inheritance patterns, and increase their access to digital financial services
2018	Roberta Buffett Elliott	Montage Health Foundation	106	Construct and operate a new facility for comprehensive child and adolescent behavioral health in Monterey, CA
2018	T. Denny Sanford	National University	100	Expand a nationwide social emotional learning program for children (prekindergarten to 6th grade) to help them form strong relationships and improve life outcomes
2018	Walton Family Foundation	Charter schools	100	Grow high-quality schools nationwide, with a focus on innovative school models and early support for teachers and entrepreneurs of color
2018	Winthrop Rockefeller Charitable Trust	University of Arkansas	100	Endow the Winthrop Rockefeller Institute's programs (focused on health and business development in rural Arkansas)
2018	Jeff and MacKenzie Bezos	Multiple recipients	98	Support families experiencing homelessness in 16 states and D.C. through emergency shelter, permanent housing, and support services
2018	Rotary International	Polio eradication	97	Support global efforts to eradicate polio, especially in Afghanistan, Pakistan, and Nigeria, along with surveillance activities in other countries
2018	Bill & Melinda Gates Foundation	US school improvement	92	Help middle and high schools in 13 states identify and solve problems, to help students get and stay on track to graduate
2018	Bill & Melinda Gates Foundation	Polio immunization in Nigeria	76	Pay off a \$76 million loan from Japan to aid in the fight against polio
2018	Bill & Melinda Gates Foundation	The Global Fund to Fight AIDS, Tuberculosis and Malaria	70	Augment a pledge from the British government to the Global Fund
2018	Bloomberg Philanthropies	American Cities Climate Challenge	70	Fund a challenge awarding 20 of the 100 most populous cities in America with funding and technical assistance to address climate change
2018	Kinder Foundation	Memorial Park Conservancy	70	Accelerate Houston's Memorial Park's Master Plan, which will restore and expand the park and improve the city's resiliency to flooding
2018	Bill & Melinda Gates Foundation	Global education	68	Provide education systems in sub-Saharan Africa and India with support to improve teaching and learning
2018	Bill & Melinda Gates Foundation	Polio eradication in Nigeria and Pakistan	68	Support ongoing efforts to improve the quality of polio eradication activities in Nigeria and Pakistan
2018	Wounded Warrior Project	Home Base	65	Expand clinical services that provide personalized mental health care to injured veterans and their families at Massachusetts General Hospital
2018	Bruce Leven	Seattle Children's Hospital	60	Endow uncompensated care, including pediatric cancer care, for children from families in need in the Seattle region
2018	Bill & Melinda Gates Foundation	PATH	55	Develop a vaccine against the parasite known to cause roughly 50% of all malaria cases worldwide
2018	Bloomberg Philanthropies	Opioid epidemic	50	Support programs to treat and prevent opioid abuse in 10 states, as part of a three-year strategy to fight the ongoing opioid epidemic
2018	Ernest Rady	The Salvation Army	50	Build two new facilities to house people experiencing homelessness in San Diego
2018	Harry and Linda Fath	Mercy Ships	50	Build a second floating hospital that will provide free surgical care to impoverished residents of Africa
2018	Joint effort (The Audacious Project)	Living Goods and Last Mile Health (joint initiative)	50	Deploy thousands of digitally empowered community healthcare workers to deliver quality care door-to-door
2018	Kresge Foundation	Marygrove College	50	Build a cradle-to-career campus in Northwest Detroit, including early childcare, a K-12 school, and a teacher training program
2018	Wyss Foundation	Multiple recipients	48	Protect 10 million acres of land and 17,000 sq. km. of ocean across 13 countries (part of \$1 billion pledge to conserve 30% of the planet by 2030)
2018	Wounded Warrior Project	Rush University Medical Center	45	Expand Rush's Road Home Program for veterans with PTSD, offering free mental-health services to up to 5,000 military veterans and their families
2018	Bloomberg Philanthropies	American Cities Initiative	42	Spur innovation and data use around city hall issues across the country, including education, environment, and citizen empowerment
2018	William Penn Foundation	Delaware River Watershed Initiative	42	Accelerate Delaware River watershed protection through restoring wetlands and monitoring water quality
2018	Joint effort (Bill & Melinda Gates Foundation, Chan Zuckerberg Initiative, Bloomberg Philanthropies, and Overdeck Family Foundation)	Opportunity Insights	39	Found an institute at Harvard to use big data to address declining US economic mobility and partner with others to turn insights into policy
2018	Lilly Endowment	16 Tech	38	Transform the near west side of Indianapolis to strengthen the vitality of surrounding neighborhoods
2018	Bill & Melinda Gates Foundation	Johns Hopkins University	35	Boost the Advance Family Planning's advocacy efforts to make quality, voluntary family planning easier to access for women and girls worldwide
2018	Charles Stewart Mott Foundation	Flint Cultural Center	35	Construct the Flint Cultural Center Academy, a public charter school that will offer students daily activities and programs at cultural institutions
2018	Richard C. and Melanie Lundquist Family Foundation	Partnership for Los Angeles Schools	35	Assist 18 public schools in the Los Angeles Unified School District in improving graduation rates and test scores
2018	Harold Hamm Foundation	University of Oklahoma	34	Support research focused on finding a cure for diabetes through talent and technology
2018	Charles de Guigné	Community Foundation for Monterey County	33	Fund an endowment to support local charities
2018	Jeff and MacKenzie Bezos	TheDream.US	33	Contribute to a scholarship fund to support 1,000 undocumented immigrants with DACA status to gain college degrees

YEAR	DONOR	RECIPIENT	AMT (\$M)	DETAILS
2018	Bill & Melinda Gates Foundation	Clinton Health Access Initiative	32	Identify, develop, and scale new approaches that enhance immunization coverage across the world
2018	Blue Meridian Partners	Get Ready Guilford Initiative	32	Improve outcomes for low-income children in Guilford County, NC, by connecting families with services and supporting evidence-based programs
2018	Bill & Melinda Gates Foundation	Cornell University	30	Support a program to help farmers in Africa through boosting crop yields and disseminating new plants, in collaboration with the UK government
2018	Bill & Melinda Gates Foundation	International Rice Research Institute	30	Unify existing rice breeding efforts targeting South Asia and sub-Saharan Africa to deliver genetic gain in fields
2018	Bill & Melinda Gates Foundation	The Task Force for Global Health, Inc	30	Fund research to control or eliminate 5 neglected tropical diseases
2018	Chan Zuckerberg Initiative	Harvard Graduate School of Education and Massachusetts Institute of Technology Integrated Learning Initiative	30	Launch Reach Every Reader, a web-based screening tool that speeds up the identification of kindergartners at high risk for reading difficulty
2018	Howard G. Buffett Foundation	Drug addiction in Macon County	30	Construct a healthcare and social services campus in Macon County, IL, to address drug addiction and other local public health needs
2018	Joint effort (Laura and John Arnold Foundation, Peterson Center on Healthcare, and Gary and Mary West Foundation)	Civica Rx	30	Establish a nonprofit, generic drug company to stabilize the supply of essential medicines (to prevent chronic shortages and rising prices)
2018	Mike and Cindy Watts	Arizona State University	30	Fund scholarships, professorships, and student programs, and help struggling families in Phoenix's Maryvale neighborhood
2018	Ronda Stryker and William Johnston	Spelman College	30	Fund a wide array of new programming focused on innovation and the arts
2018	T. Denny Sanford	Horatio Alger Association of Distinguished Americans	30	Endow the new Horatio Alger-Denny Sanford Scholarship Program, to award scholarships to outstanding high school students facing challenges
2018	Bill & Melinda Gates Foundation	Jhpiego	30	Build project management capabilities to help the organization make better use of data and adopt a results-oriented business model
2018	Bill & Melinda Gates Foundation	International Crops Research Institute for the Semi-Arid Tropics	30	Help several organizations to develop new climate-resilient crop varieties and promote delivery to small holders, especially women
2018	Stavros Niarchos Foundation	Hellenic Fire Service	29	Fund equipment as well as fire emergency response and prevention training programs for the Greek national fire service
2018	Wounded Warrior Project	Emory Healthcare Veterans Program	29	Treat veterans suffering from post-traumatic stress disorder, traumatic brain injury, depression, and anxiety
2018	Stavros Niarchos Foundation	Rutgers University-New Brunswick	27	Revitalize the Greek agricultural sector by training a new generation of farmers and entrepreneurs (part of a 100 million Euro initiative)
2018	National Fish and Wildlife Foundation	Texas General Land Office	27	Restore approximately 17 miles of the beach dune ridge system along McFaddin National Wildlife Refuge on the Texas Gulf coast
2018	Bill & Melinda Gates Foundation	Avenir Health	26	Transition family planning monitoring at the country and global levels to provide more and better actionable information for national programs
2018	Anonymous	Say Yes to Education Buffalo	25	Provide free college tuition for public and charter school graduates, to ultimately establish a college-going culture in the Buffalo Schools
2018	Bill & Melinda Gates Foundation	Boston University	25	Fund early-stage development of antibiotics, vaccines, and diagnostics to fight drug-resistant bacterial infections
2018	Bill & Melinda Gates Foundation	Emory University	25	Create a long-term network of sites to collect primary data and track preventable causes of childhood death worldwide
2018	College Board	College Board Opportunity Scholarships program	25	Fund scholarships for high school students applying to college, with half of the scholarships for students from low- and middle-income families
2018	Bill & Melinda Gates Foundation	African Agricultural Technology Foundation	25	Fund drought-tolerant and insect-pest protected maize hybrids in at least 4 African countries
2018	Joint effort (The Audacious Project)	Environmental Defense Fund	25+	Expand EDF's methane emissions measurement strategy globally by using a satellite
2018	Joint effort (The Audacious Project)	One Acre Fund	25+	Expand services for smallholder farmers to new regions
2018	Joint effort (The Audacious Project)	Woods Hole Oceanographic Institution	25+	Explore the zone 200-1,000 meters below the ocean's surface to understand how resource extraction might affect the broader marine ecosystem
2018	Joint effort (The Audacious Project)	Sightsavers	25+	Prevent unnecessary blindness due to trachoma through surgery, antibiotics, face-washing, and environmental improvements
2018	Joint effort (The Audacious Project)	The Bail Project	25+	Scale the Bronx Freedom Fund model nationally, allowing low-income individuals held in jails before trial to post bail
2017	Joint effort (Bill & Melinda Gates Foundation, Rotary International, Dalio Foundation, Bloomberg Philanthropies, Canada, European Commission, Japan, United Arab Emirates, easyJet)	Global Polio Eradication Initiative	640	Eradicate polio through immunization and surveillance in Afghanistan, Nigeria, and Pakistan
2017	Joint effort (Uniting to Combat Neglected Tropical Diseases)	Neglected tropical diseases	335	Fight neglected tropical diseases (drug development, surveillance, vector control, and eradication of guinea worm and African sleeping sickness)
2017	Bill & Melinda Gates Foundation	Bill & Melinda Gates Medical Research Institute	273	Found an institute that will enhance the product development pipeline for malaria, tuberculosis, and enteric and diarrheal diseases
2017	Joint effort (Chan Zuckerberg Initiative, Bill & Melinda Gates Foundation, and Bloomberg Philanthropies)	Resolve	225	Establish a global health initiative aimed at saving 100 million lives and preventing global epidemics
2017	Bill & Melinda Gates Foundation	Alliance for a Green Revolution in Africa	200	Fund a partnership to increase incomes and food security for 30 million smallholder farm households in at least 11 African countries by 2021
2017	Bill & Melinda Gates Foundation	Every Woman Every Child	200	Support the UN's Every Woman Every Child initiative, which aims to address the major health challenges facing women, children, and adolescents
2017	Bloomberg Philanthropies	American Cities Initiative	200	Spur innovation and data use around city hall issues across the country, including education, environment, and citizen empowerment
2017	Joint effort (Bill & Melinda Gates Foundation, Germany, Japan, Norway)	Coalition for Epidemic Preparedness Innovations	200	Develop new vaccines against diseases such as Ebola, MERS, and Zika to prevent future epidemics
2017	Jack and Laura Dangermond	The Nature Conservancy	165	Purchase and preserve 24,000 acres of coastal California ranchland, including several sites sacred to the Chumash people
2017	Gordon and Betty Moore Foundation	Ecology of North American oceans	152	Protect the ecology of North American oceans, focusing on commercial fisheries, fisheries-management systems, and regional conservation plans
2017	Stavros Niarchos Foundation	Johns Hopkins University	150	Create the Stavros Niarchos Foundation Agora Institute, a center designed to research democracy and increase civic engagement
2017	Bill & Melinda Gates Foundation	PATH	120	Accelerate efforts to develop new and cheaper vaccines against more than a dozen diseases that continue to take a deadly toll around the globe
2017	Agnes Gund	Art for Justice Fund	100	Reduce prison populations while strengthening education and employment opportunities for people leaving the criminal justice system

Supplement to SSIR sponsored by THE BRIDGESPAN GROUP

YEAR	DONOR	RECIPIENT	AMT (\$M)	DETAILS
2017	Charles Butt	The Holdsworth Center	100	Create a nonprofit leadership institute for administrators in Texas public schools
2017	Lilly Endowment	Human service providers in Indianapolis	100	Support 15 Indianapolis human service nonprofits through grants ranging between \$5 million and \$10 million
2017	Omidyar Network	Combating misinformation	100	Fund investigative journalism, fight hate speech, and combat misinformation
2017	Caris Foundation International	USAID	99	Increase health-care access for 4 million individuals in Haiti including immunization, reproductive health, nutrition services, and HIV care
2017	Wyss Foundation	African Parks	65	Fund conservation in 4 parks in Rwanda and Malawi, and up to 5 new locations in other countries
2017	Bloomberg Philanthropies	Sierra Club	64	Support the Beyond Coal campaign, to retire 60 percent of US coal-fired power plants by the end of 2020
2017	Ballmer Group	Strive Together	60	Support the Cradle to Career Network program to reduce racial and socioeconomic disparities in educational success
2017	Blue Meridian Partners	Upstream USA	60	Increase women's access to the full range of contraceptive methods by funding Upstream USA's expansion to full scale in 4 states
2017	Stavros Niarchos Foundation	The New York Public Library	55	Renovate the Mid-Manhattan Library completely
2017	Leona M. and Harry B. Helmsley Charitable Trust	Global Platform for the Prevention of Autoimmune Diabetes	52	Fund a first trial on primary oral insulin as a treatment for Type I diabetes
2017	W. K. Kellogg Foundation	Battle Creek Public Schools	51	Increase Battle Creek educational equity through teacher professional development, a pre-K summer transition program, among other initiatives
2017	Bill & Melinda Gates Foundation	CARE	50	Support the Government of Bihar (India) to reduce maternal, newborn, and child mortality and improve the quality and equity of health services
2017	Bill & Melinda Gates Foundation	World Health Organization	50	Nurture innovations through UNITAID to improve access to prevention, diagnosis, and treatment of HIV/AIDS, tuberculosis, and malaria
2017	Bloomberg Philanthropies	European Climate Foundation	50	Support the international Beyond Coal campaign, to shift European economies from coal-dependent power to renewable energy sources
2017	Charles Butt	Raise Your Hand Texas Foundation	50	Create Raising Texas Teachers to fund financial aid for Texas college students who plan to become teachers, and fund teacher training programs
2017	Gordon and Betty Moore Foundation	Andes-Amazon Initiative	50	Combat environmental degradation in the region, while also incorporating forest and freshwater conservation efforts
2017	Joint effort (W. K. Kellogg Foundation and The Kresge Foundation)	Hope Starts Here	50	Strengthen and expand early childhood services in Detroit
2017	Bill & Melinda Gates Foundation	FHI 360	41	Support the growth of policies, innovations, and programs to improve breastfeeding, complementary feeding, and maternal nutrition
2017	Bill & Melinda Gates Foundation	Global Alliance for Livestock Veterinary Medicines	40	Develop new livestock vaccines and market development initiatives to improve smallholder income and productivity
2017	H. F. "Gerry" Lenfest	The Lenfest Institute for Journalism	40	Match up to \$40 million in giving to the organization, which helps develop sustainable business models for high-quality local journalism
2017	Joint effort (Bill & Melinda Gates Foundation and Foundation for Food and Agriculture Research)	University of Illinois at Urbana-Champaign	40	Increase crop yield for resource-poor farmers, in collaboration with the government of the United Kingdom
2017	Bill & Melinda Gates Foundation	ONE Campaign	39	Support the ONE Campaign's policy, advocacy, and public awareness-raising work in the fight to end extreme poverty and preventable disease
2017	Blue Meridian Partners	HealthySteps	39	Fund a national scaling plan for HealthySteps, which provides low-income households with child development services
2017	Lilly Endowment	The Central Indiana Corporate Partnership	39	Support the Wabash Heartland Innovation Network to make the 10-county region the global epicenter of next-generation manufacturing
2017	Marcus Foundation	University of Colorado Anschutz Medical Campus	38	Establish the Marcus Institute for Brain Health to provide intensive treatments to veterans
2017	Michael & Susan Dell Foundation	Rebuild Texas Fund	36	Provide immediate aid to survivors of Hurricane Harvey and to raise money from other donors to support recovery efforts
2017	Bill & Melinda Gates Foundation	FHI 360	35	Fund the phase III trial of a long-acting injectable drug for HIV prevention among women in sub-Saharan Africa
2017	Bill & Melinda Gates Foundation	Fred Hutchinson Cancer Research Center	35	Support a trial of an experimental HIV vaccine for women at high risk in Southern Africa
2017	Walton Family Foundation	Colorado River Basin and Mississippi River Delta preservation	35	Preserve and promote sustainable water management in the Colorado River Basin and Mississippi River Delta
2017	Bill & Melinda Gates Foundation	Inter-American Development Bank	32	Eliminate malaria in 7 Central American countries
2017	Walton Family Foundation	Fisheries in Indonesia	32	Advance fishing policies and practices that align Indonesia's environmental, social, and economic interests
2017	Blue Meridian Partners	Birth through Eight Strategy for Tulsa (BEST)	31	Increase the proportion of youth in Tulsa County, OK, who meet developmental milestones at birth, by age 3, by kindergarten, and by 3rd grade
2017	Bill & Melinda Gates Foundation	Cornell University	30	Develop cassava breeding programs that meet the needs of smallholder farmers in Africa and increase agricultural productivity
2017	Bill & Melinda Gates Foundation	New Venture Fund	30	Provide college scholarships to enable highly motivated, low-income DREAMers to graduate with career-ready degrees
2017	Edward Bass	The University of Arizona	30	Support Biosphere 2 to answer questions about environmental change, managing finite natural resources, and protecting fragile ecosystems
2017	Partnership for Safe and Peaceful Communities	Reducing gun violence in Chicago	30	Achieve a meaningful reduction in gun violence over the next 2-3 years through direct investments in 100 Chicago neighborhoods
2017	Paul Allen	Mercy Housing Northwest	30	Develop a housing and family service center for homeless children and families in the Seattle area
2017	Bill & Melinda Gates Foundation	PnuVax Inc.	29	Develop a pneumococcal conjugate vaccine that is available to Gavi countries at an affordable price
2017	Ebeid family	ProMedica	29	Support research and programs focusing on how demographic factors, such as income, education, and housing, affect health
2017	Bill & Melinda Gates Foundation	International AIDS Vaccine Initiative	28	Expedite development of AIDS vaccines and other HIV prevention tools, together with the Collaboration for AIDS Vaccine Discovery
2017	Bill & Melinda Gates Foundation	PATH	28	Develop safer oral vaccines against poliovirus for use in outbreaks
2017	Bill & Melinda Gates Foundation	The END Fund	28	Raise funds from the private sector to support the fight against neglected tropical diseases
2017	Robert M. Hearin Support Foundation	Mississippi State University	28	Continue the Mississippi Excellence in Teaching Program, offering scholarships and an honors-type college experience for top education students
2017	T. Denny Sanford	National University	28	Expand 3 new programs that seek to tackle needs in teacher education, pre-K instruction, and nonprofit fundraising
2017	John D. and Catherine T. MacArthur Foundation	Nia Tero	27	Advance indigenous peoples' and local communities' stewardship of ecosystems by providing general operating support over the next 10 years
2017	Bill & Melinda Gates Foundation	Clinton Health Access Initiative	26	Support 6 countries in southern Africa and 4 in the Greater Mekong sub-region to sustainably accelerate efforts to eliminate malaria
2017	Charles Koch Foundation	Thurgood Marshall College Fund	26	Fund research at historically Black colleges and universities on education, criminal justice, and entrepreneurship in disadvantaged communities

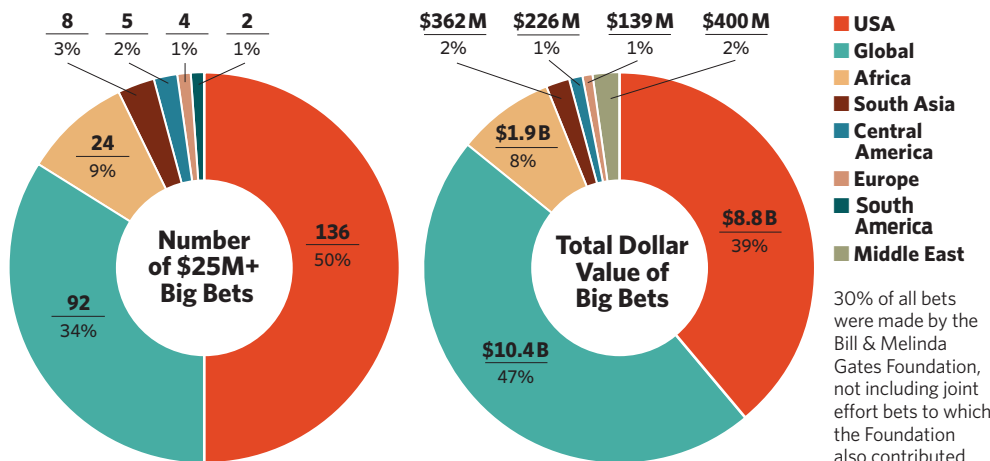
YEAR	DONOR	RECIPIENT	AMT (\$M)	DETAILS
2017	Lilly Endowment	Schools in Indiana	26	Strengthen student counseling programs in 52 Indiana public school corporations and 5 charter schools
2017	Bezos Family Foundation	NYU Langone Hospital - Brooklyn	25	Support family health and child development, culturally competent care, staff training, and measures of family and community well-being
2017	Bill & Melinda Gates Foundation	Virginia Commonwealth University College of Engineering	25	Develop medicines for diseases including HIV/AIDS, malaria, and tuberculosis
2017	Bloomberg Philanthropies	Drowning prevention	25	Expand drowning prevention in Vietnam, Bangladesh, and sub-Saharan Africa through daycare, survival swimming training, and surveys
2017	Daniel Lubetzky	Feed the Truth	25	Create a public health organization to increase transparency in food systems and reduce the role of the food industry in nutrition policy
2017	John and Eilene Grayken	Boston Medical Center	25	Fund a new center for opioid addiction research, treatment, and prevention at Boston Medical Center
2017	Marilyn and Jim Simons	The New York Public Library	25	Support library services, capital improvements, education programs, immigrant services, technology training, and early literacy efforts
2017	Robina Foundation	University of Minnesota Law School	25	Help fund the Center of New Americans, which supports immigrant families and efforts against the January 2017 immigration ban
2017	Sobrato Family Foundation	Drexel School System	25	Establish a Drexel School scholarship for local elementary school students, especially those from Latin American families

**Methodology:** The Bridgespan Group identified all US donors' publicly announced 2015-2018 gifts for social change of \$25 million and higher that it could find using a range of sources and outreach. It included bets pledged in these years, rather than fulfillments of prior commitments. In ascertaining which commitments go to "social change," The Bridgespan Group aims for inclusivity and opts 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. Though

institutional gifts can incorporate social change concerns, Bridgespan does not include gifts to arts institutions, higher education institutions, medical institutions, or private K-12 schools unless donors stipulate the gift for anti-poverty initiatives or underfunded diseases that disproportionately affect low-income people. Bridgespan includes gifts to religious organizations only when the goal is human services or international development.

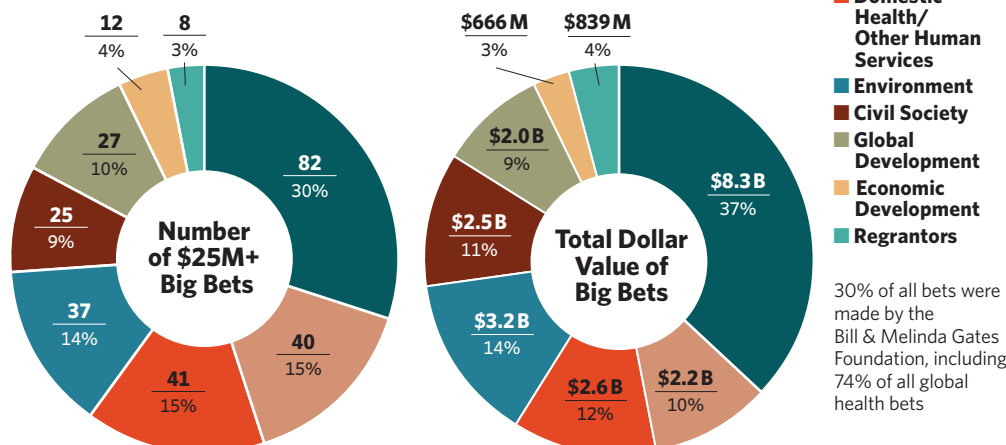
**Note:** 2018 list includes bets announced through December 31, 2018.

## US Big Bets to Recipients Within the United States Exceed Any Other Geographic Area (2015-2018)



**Note:** Figures represent all \$25M+ US big bets to social change between 2015 and 2018, which constitute 272 big bets and \$22.3B. Global bets include those to multiple geographies and to international issues such as climate change.

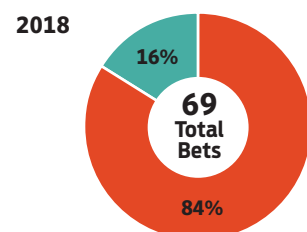
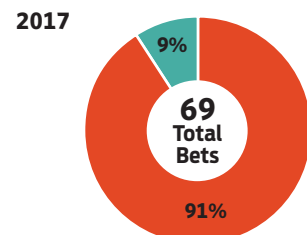
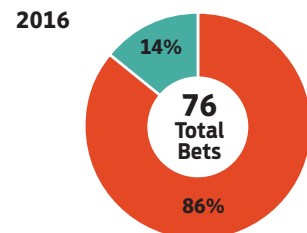
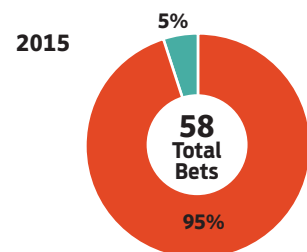
## A Third of US Big Bets Go to Global Health (2015-2018)



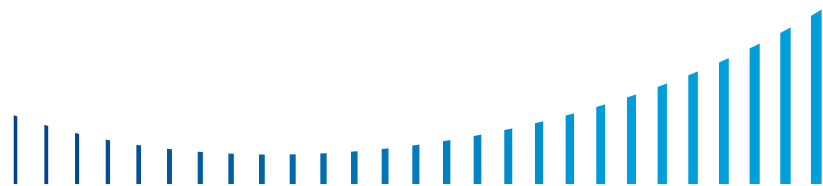
**Note:** Figures represent all publicly announced \$25M+ US big bets to social change between 2015 and 2018, which constitute 272 big bets and \$22.3B.

## Fewer Than 20% of US Big Bets Have Been Joint Efforts

**Legend:** Single Donors (Red), Joint Efforts (Teal)



**Note:** Figures represent all \$25M+ US big bets to social change between 2015 and 2018.



## The Bridgespan Group

**The Bridgespan Group** is a global nonprofit organization that collaborates with mission-driven leaders, organizations, philanthropists, investors, and corporations to break cycles of poverty and dramatically improve the quality of life for those in need.

The Bridgespan Group thanks The Atlantic Philanthropies, the JPB Foundation, and the Robertson Foundation for the generous support that made this *Stanford Social Innovation Review* supplement possible