

Philanthropy 3.0: Accountable for Results

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Among the many pathways for philanthropy to travel, a growing number of foundations are exploring a new pathway that I like to call “Philanthropy 3.0.”

Why do we need a new path? Because none of us want to reach the end of our current path in philanthropy and say “I am not sure I made a difference. That lives and communities are measurably healthier than before.”

Stop for a minute and name an industry or sector that has undergone enormous change in the last 50 years. When I ask this question in workshops, I get many answers (telecom, transportation, medicine, media, etc.) and always end up having multiple people say “all of them!” Unfortunately, no one has ever answered “philanthropy.” And there are many reasons why foundations resist transformational change.

Even our name is indicative of what is holding us back. Grantmakers In Health. We assume that *grantmaking* is our primary role, and grantmaking is what supposedly binds us together as members. Yet, if our most important social issues could be solved by writing a grant check, then someone

would have solved them by now. So why do we keep writing grant checks and hoping? To paraphrase a systems guru, “The good news is that your foundation is perfectly designed, and has the perfect board and staff, to produce the results it is producing.” And of course, that may also be the bad news.

It’s not as if we’re not trying. Every year another foundation is announcing their latest v2.0 strategic plan. But the flaw is that foundations still just write grant checks, and hope their magical Theory of Change diagrams become reality.

That is like a sports coach handing the team a bunch of diagrammed X’s and O’s plays (with no overseeing practice and no presence at game time), and expecting them to win the season. Real world issues like obesity, access, and mental health are complex dynamic systems that need on-the-field presence, and real time adaptation, iterating towards a specific measurable goal. And so the needle rarely, if ever, moves.

The easy path is to quietly shrug our shoulders when the needle does not move. To blame the diagram. To blame the

<p>PHILANTHROPY 1.0 PATH</p>	<p>“FEEL GOOD GIVING”</p>
<ul style="list-style-type: none"> • Just writing a check • Reactive giving • Shotgun approach—spread the wealth • Staff qualifications: um ... 	<p>Annual report tell-tale signs:</p> <ul style="list-style-type: none"> • dollars granted • number served • list of grantees
<p>PHILANTHROPY 2.0 PATH</p>	<p>“WHITE TOWER GIVING”</p>
<ul style="list-style-type: none"> • Academic theory of change • Write the check, and hope that the grantees will move the needle • Staff qualifications: alphabet soup after their names (who else will spend the time to learn the diagrams?) 	<p>Annual report tell tale signs:</p> <ul style="list-style-type: none"> • 2005 = diagrams of 10-year strategy • 2010 = proxy process measures • 2015 = oh well, exciting new 10-year plan to take us to 2025!
<p>PHILANTHROPY 3.0 PATH</p>	<p>“DO WHATEVER IT TAKES”</p>
<ul style="list-style-type: none"> • It is our job to move the needle, not just the grantee’s • Adaptive and entrepreneurial • Qualifications: founder of successful start-up organization or social enterprise • Will be obsolete next year when v4.0 comes out 	<p>Annual report tell tale signs:</p> <ul style="list-style-type: none"> • Key metrics moved • Bright spot strategies copied or mashed up • Key metrics not yet moved, and what we are learning to move them

	BOARDS	CEO / STAFF
1.0	<ul style="list-style-type: none"> • Enjoys approving grant book • Focuses on branding 	Wakes up asking: “Who should get a grant today?”
2.0	<ul style="list-style-type: none"> • Enjoys approving 5- or 10-year strategic plans • Enjoys approving big strategic grants 	Wakes up praying: “I hope our grantees and theory of change are moving the needle!”
3.0	<ul style="list-style-type: none"> • Sets top priorities • Approves topline budget and agrees on target results • Gives CEO full discretion how to invest or expend resources • Holds CEO accountable for results 	Wakes up every day asking: “Did the dial move? What do I need to do to make it move?”

grantee (internally only, of course). It’s an “intractable” problem, but at least we did some “good.” We take the easy path because our jobs are not at stake. We do not have shareholders or voters who will fire us when their dollars invested do not move a dial or produce an ROI.

Instead, what if it was our explicit responsibility to wake up every day and ask, “Is the needle moving?” And if it isn’t, “Am I going to get a bad performance review?” What path would we take if our jobs depended on moving the needle? We would act like our pants are on fire! We would do whatever it takes.

Our jobs would not be about processing grant applications and diligence. Instead our profession would be about building great entrepreneurial teams, creating new public-private joint ventures, using all our lobbying safe harbors, coaching, investing in groundbreaking lawsuits, measuring just a few key metrics with no excuses, advocating, assisting

in real time when partners encounter problems, recruiting better players, calling plays in the moment, embedding staff with key partners. We might not go with the usual suspects, because they are producing the usual results. Instead we might form new entities. We would not be discouraged by the 100 communities not moving the needle, and instead learn all we could to copy the one or two “bright spots” that were succeeding. There is no right or wrong to v3.0; the only requirement is to hold ourselves accountable to meaningfully moving the dial.

I would contend that what binds us together as GIH members is not the word “grantmaker,” but the word “health.” Our many and varied mission and purpose statements sum up to: making people and communities measurably and sustainably healthier. And the only way we can achieve our purpose is to revolutionize beyond being grant-makers to becoming **change agents**.