PP183
PHILANTHROPY and SOCIAL INNOVATION
COURSE SYLLABUS
4 Units

“We make a living by what we get;
We make a life by what we give.”
– Winston Churchill

“We need to transform the way we are giving
in order to help solve our world’s problems
…and we need to start today.”
– Giving 2.0

Instructor:
Laura Arrillaga-Andreessen

This class is by permission only. A brief application will be completed immediately following Session 1 on Thursday, September 27 and students will be notified of acceptance by Monday, October 1.
1. COURSE MATERIALS
Required:
  • *Philanthropy and Social Innovation* - Course Reader

2. COURSE PERSPECTIVE
We are living in the midst of a philanthropic revolution; one equal in influence only to the birth of modern philanthropy 100 years ago. The great philanthropic icons – Rockefeller, Carnegie, Sage, Rosenwald, Goff and Ford – paved the way for world-altering social change and inspired the United States’ past and present characterization as the world’s “most charitable nation.” The early 20th century saw the inception of the private foundation and community foundation, the idea of personal philanthropy and the infrastructure of the nonprofit sector. The last ten years have seen individual and institutional philanthropists embarking on a sector transformation tantamount in significance. In recent decades, philanthropy has become an industry in itself - amounting to nearly $300 billion in the year 2011 alone. Philanthropy currently is experiencing an unprecedented amount of momentum, professionalization and innovation, and never have social needs–local and global alike–been more complex and pressing.

*Philanthropy and Social Innovation* (PP183) is one of the first academic courses to present philanthropy from a strategic field-based perspective. Effectively participating in the social sector mandates a firm grounding in the ever-evolving principles, practices and models unique to philanthropic stewardship, strategy and grantmaking. This course will provide an overview of the key operational and strategic distinctions between traditional philanthropic entities, such as community foundations, private foundations and corporate foundations, as well as contemporary models, including funding intermediaries and venture philanthropy partnerships. Students will examine the translation of philanthropic vision and capital into social innovation and action by applying strategic decision-making models as frameworks. Students will analyze foundation mission, operating principles and infrastructure, while learning about financial management, grantmaking, evaluation and knowledge management. Additional topics include individual giving, donor intent, policy change, global social investing, venture philanthropy and corporate philanthropy. Coursework will include readings and case discussions, as well as role-plays, small-group brainstorms and in-class debates. The primary individual project will entail creating a business plan for a $10 million foundation. Every business plan will also include an organizational assessment of a real service-providing nonprofit. Finally, each student will create a short Philanthropic Passion video presentation.

Every individual has the opportunity to be philanthropic. If one has the opportunity to give financial, human and/or intellectual capital, one has a responsibility to align one’s resources and passions with public needs and welfare. This seminar is appropriate for any student driven to effect positive social change from either the for-profit or nonprofit sector. This class will challenge each student to enhance and actualize their strategic thinking, vision and potential philanthropically.
3. COURSE OBJECTIVES

- **Landscape:** To provide a solid understanding of the current philanthropic landscape and the critical issues therein. Students will analyze current philanthropic issues and examine the evolving sector structure.
- **Strategy:** To teach the core elements of strategy as it applies to philanthropy and how such strategy informs execution, outcomes and evolution.
- **Practicum:** To give students direct experience with field analysis, foundation business plan creation and nonprofit organizational assessment.
- **Network:** To build a community of students and leaders passionate about the philanthropic sector.
- **Inspiration:** To provide a forum in which students can strategically develop their own philanthropic stewardship, mission and vision.

4. CLASS PARTICIPATION

- All students must prepare for class and actively participate in class discussions.
- Participation grades will be based entirely on quality, not quantity. Repeating other comments, asking general questions (i.e. questions that could be addressed outside of class with the teaching assistant) to the instructor or the speakers or giving uninformed or repetitive answers will not count towards your participation grade.
- Attendance at every seminar session is mandatory.
- All students will submit two case write-ups, offering thoughtful, in-depth answers for the study questions provided for two assigned cases. Case write-ups must not exceed three pages and must be single-spaced, 12-point, Times New Roman font. Students will sign up on a first-come, first-served basis for two cases by Session 2 and must submit case write-ups to the teaching assistant by 1 pm before the beginning of the session for which the case is assigned.

5. GRADERS

- The course grade will be comprised of the following three requirements:
  - Class Participation - 50% (verbal participation and two case write-ups)
  - $10 Million Foundation Business Plan - 40%
  - Philanthropic Passion Video - 10%
- The teaching assistant will coordinate optional mid-quarter check-ins where students can discuss performance in the course and receive feedback on class participation.

6. ASSIGNMENTS

*Grading*:
All individual assignments will be graded on the following criteria:

1. *Clarity and Comprehensiveness of Analysis.* Does the Foundation Business Plan content provide strong, well-reasoned analysis or is the presentation a sequence of bullets with minimal integration and buildup? Are all of the required components covered?
2. **Creativity.** Does the Foundation Business Plan strategy, as well as your personal philanthropic passion in the Video, provide a new approach to the social issue? Does the Foundation Business Plan go beyond predictable analysis or deliverables?

3. **Thoroughness of the Background Research Analysis.** Does the Foundation Business Plan suggest a broad spectrum of background work or does the assignment rely exclusively upon obvious/predictable sources? Does the Video provide both hard data about your social issue, a context for its importance and heartfelt grounding for why you have selected this passion?

4. **Structural Design and Professionalism.** Does the presentation of the Foundation Business Plan provide a clear and professional communication of ideas? Is the paper quality comparable to what a professional consultant or program officer would present to a donor or foundation board?

**Assignment 1: $10 Million Foundation Business Plan**

**Objective:**
Create a formal Foundation Business Plan for your own private $10 million foundation.

**Due Date:**
Students must submit papers to the teaching assistant before the beginning of Session 8 on November 15. Students must also submit a hard copy of the paper to the instructor in class on November 15.

**Format:**
The paper should include 5-7 pages of text and exhibits (single-spaced, 12-point, Times New Roman font).

**Requirements:**
The Foundation Business Plan should include, but is not limited to, the following information:

- Mission Statement
- Values
- Program Area (one only)
- Theory of Change/Logic Model
- Grantmaking Guidelines
- Grantmaking Process
- Internal and External Evaluation Practices
- Knowledge Management Strategy and Practice
- Endowment Philosophy
- Endowment Investment Strategy
- Foundation Payout Policies
- Annual Payout Allocations
- Grantmaking History for the Last Two Years (2010, 2011)
• Nonprofit Organizational Assessment

Notes:
For a description of the Nonprofit Organizational Assessment, please see the handout provided in the Course Reader (Session 4 Required Readings).

The two-year grantmaking history should include real nonprofits that you have researched. However, if you cannot find existing nonprofits in your target geographic region that meet your grantmaking guidelines, you may “relocate” and/or “create affiliates” of nonprofits from other regions and use them in your Grantmaking History.

Focus your paper discussion on how your foundation takes a unique and strategic approach to its philanthropy. Papers must not only describe the grantmaking processes of your foundation, but also the reasoning behind these choices.

Examples:
Two sample Foundation Business Plan papers (that received “A” grades) are provided for your reference in the Course Reader (Session 8 Required Readings). These can serve as models as you craft your project; however, these should not limit your creativity, as there are many effective ways to present your foundation and these are just examples.

Assignment #2: Philanthropic Passion Video

Objective:
Philanthropy’s ultimate goal is improving life quality for others and leaving the world better than you found it. Create a short video (2-3 minutes) that captures the essence of two things: 1) why you want to be philanthropic (what is the inspiration behind your own desire to give?) and 2) how you want to be philanthropic in your lifetime (what social issue is your greatest personal passion?).

Due Date:
Students must submit the video (via Dropbox or YouTube, as described below) before the beginning of Session 9 on Thursday, November 29 (to be played in class during Session 10).

Format:
You may submit your presentation in one of two formats only: a) a .mov file, submitted via Dropbox, or b) a video uploaded to YouTube (email the link to the TA). Specific instructions for how to embed music in a PowerPoint presentation and save it as a .mov file will be forthcoming. You will also receive an invitation to the PP183 Dropbox. Your grade will be negatively impacted if your presentation is improperly formatted.

Requirements:
Your video/presentation can include, but is not limited to, the following elements:
• Slides (Keynote, PowerPoint) with music embedded in the presentation
• Video Footage
• Photos
Example:
The Sarah McLachlan “World on Fire” video (shown in Session 3) can serve as an example for this project, in particular, its combination of art and science, hard data and real-world context. You can watch the video again at http://www.youtube.com/watch?v=i0O2LMqnHhg.

Due to copyright issues, please assume that this project will be used only within the context of this classroom presentation. You will be personally responsible/liable for any use of this video outside the use within this classroom.

7. GENERAL EXPECTATIONS

- **Attendance is mandatory.** Students must attend all classes. Students are required to arrive on time and stay until class is dismissed.
- **Missed class assignment required.** For any excused missed class, students must submit a three-page write-up on the assigned readings (due by the following session). Write-ups must be single-spaced, 12-point and Times New Roman font. If a student misses a class and fails to submit a paper, his or her final grade will be adversely affected.
- **Preparation is required.** Students will be cold-called in each class. Students should thoroughly prepare all readings and “questions to consider” prior to class.
- **Class conduct is critical.** Computers, phones and food are not permitted in class. Each student must bring a name card to every class. Name cards will be distributed on the first day of class.
- **Class participation is essential.** Students need to fully engage in class discussions of required readings and study questions. Students are expected to engage in spontaneous class exercises. Both the content and clarity of each student’s class participation, as well as the respectful challenging of fellow students’ ideas, are essential for creating stimulating group discussions throughout the quarter.
- **Honor Code must be maintained.**
- **Office hours are by appointment only.** Please contact the teaching assistant to schedule office hours.

8. COURSE SCHEDULE

**Session 1: Thursday, September 27**

The Philanthropic Landscape / Social Ecosystems

Application to Course:
- As this class is a seminar, enrollment is limited and students will be asked to complete a brief application immediately following the first class. Students will be notified of acceptance by Monday, October 1.

Required Reading – Course Reader:
- Course Syllabus
• Biography of Instructor – Laura Arrillaga-Andreessen, 2 pp.
• Giving 2.0 website

**Required Reading – Course Text:**

**Questions to Consider:**
• What is your philanthropic passion?
• What does philanthropic stewardship mean to you?

**Session 2: Thursday, October 4**

**Individual Giving Vehicles / Community Foundations**

**Required Reading – Course Reader:**

**Required Reading – Course Text:**

**Optional Reading:**
Questions to Consider:
- What role do community foundations play in civil society?
- What are the benefits and limitations of the following philanthropic vehicles: donor-advised funds, supporting organizations, federated giving institutions and private foundations?

Session 3: Thursday, October 11
Theory of Change / Foundation Strategy

Required Reading – Course Reader:
- James Irvine Foundation website

Required Readings – Course Text:

Required Reading – Accessible Online:

Optional Reading:

Questions to Consider:
- What does an effective philanthropic strategy entail?
- How can foundations analyze and map their approach and objectives?
- How can foundations be more entrepreneurial – in structure and practice?

Session 4: Thursday, October 18
Grantmaking / Evaluation / Knowledge Management

Required Reading – Course Reader:
• Biography of Discussant – Alexa Cortes Culwell, Former CEO: Charles and Helen Schwab Foundation and Stupski Foundation, 1 pp.
• Charles and Helen Schwab Foundation website
• Stupski Foundation website
• Grantmaking Packet, 20 pp.
• Nonprofit Assessment Note, 2 pp.

Required Reading – Course Text:
• Laura Arrillaga-Andreessen, “Chapter 4: Determining a Destination – Assess Your Aspirations and Impact,” in Giving 2.0: Transform Your Giving and Our World, 26 pp.

Required Reading – Accessible Online:

Optional Reading:

Questions to Consider:
• What are the key components of foundation grantmaking and how are they informed by philanthropic strategy?
• What role does knowledge management play in the grantmaking process?
• What are the key components of effective due diligence when selecting potential grantees?

Session 5: Thursday, October 25
Public Engagement / Financial Management
Required Reading – Course Reader:

Required Reading – Course Text:

Required Reading – Accessible Online:

Optional Reading:
• Harvey Koh, Ashish Karamchandani and Robert Katz, “From Blueprint to Scale,” Monitor, April 2012, 53 pp. (accessible online)

Questions to Consider:
• How can foundation grantmaking strategy influence endowment management?
• How does foundation mission influence foundation lifespan?
• What are the benefits and costs of spending down a foundation endowment? For creating a perpetual endowment?
• Who are the public and private stakeholders to whom foundations should be held accountable? Why? Please answer for each specific stakeholder.

Session 6: Thursday, November 1
Family Foundations / Grantor-Grantee Relationship

Required Reading – Course Reader:
• Sand Hill Foundation website

Required Reading – Course Text:
Required Reading – Accessible Online:


Questions to Consider:

- What key actions would enable grantors and grantees to effectively engage in a mutually accountable relationship?
- How far can donor influence be taken without crossing the line of exerting an inappropriate amount of control?

Session 7: Thursday, November 8
Global Social Investing

Required Reading – Course Reader:


Required Reading – Course Text:


Required Reading – Accessible Online:


Questions to Consider:

- What are the barriers to successful global social investing? How would you frame those issues as they relate to both the individual donor and the ultimate grantee?
- How could international funding intermediaries improve evaluation strategy and process while remaining consistent with their mission and values?

Session 8: Thursday, November 15
Venture Philanthropy

Assignment Due:
• $10 Million Foundation Plan: An electronic copy should be sent to teaching assistant before class and a hard copy should be turned into the teaching assistant at the start of class.

Required Reading – Course Reader:
• Biography of Discussant – Lindsay Austin Louie, Executive Director: SV2 (Silicon Valley Social Venture Fund), 1 pp.
• Biography of Discussant – Dr. Joon Yun, Treasurer: SV2 (Silicon Valley Social Venture Fund), 1pp.
• SV2 website
• “SV2 - Silicon Valley Social Venture Fund,” Stanford Graduate School of Business, 2005, case number SI-80, 16 pp.

Required Reading – Course Text:

Required Reading – Accessible Online:

Optional Reading:

Questions to Consider:
• How does venture philanthropy differ from traditional philanthropy?
• What are the challenges around this type of high-engagement grantmaking?
• What are the most effective strategies for scaling social innovations and building sector capacity?

HOLIDAY: Thursday, November 22

Session 9: Thursday, November 29
Corporate Philanthropy / Policy Change
Assignment Due:

- Philanthropic Passion Video: Assignment must be submitted to teaching assistant before the beginning of class.

Required Reading – Course Reader:

- Biography of Discussant – Brent Harris, Vice President, Operations: ClimateWorks, 1 pp.
- ClimateWorks website

Required Reading – Course Text:


Required Reading – Accessible Online:


Required Film:


Optional Reading:


Questions to Consider:

- What resources can corporations potentially provide that other philanthropies cannot?
- Should corporations engage in philanthropic activities, or should their sole purpose be generating profits for investors and shareholders?
- What differentiates corporations as players in the philanthropic sector?
- What are the specific strategies by which foundations can influence potential policy changes?

Session 10: Thursday, December 6

Catalytic Philanthropy
Individual Presentations:
• Philanthropic Passion Video

Required Reading – Course Reader:
• The Meth Project website

Required Reading – Course Text:
• Laura Arrillaga-Andreessen, “Epilogue,” in Giving 2.0: Transform Your Giving and Our World, 3 pp.

Required Reading – Accessible Online:

Optional Reading:

Questions to Consider:
• How do you plan to impact the world with your own philanthropy?
• What forces will shape philanthropy’s future?