



Stanford PACS
Center on Philanthropy
and Civil Society

REFLECTIONS ON PHILANTHROPY

FROM THE 2017 PHILANTHROPY INNOVATION SUMMIT

ABOUT STANFORD PACS

Stanford PACS is a research center for students, scholars, leaders, and practitioners to explore and share ideas that create social change. Its primary participants are Stanford faculty, visiting scholars, postdoctoral fellows, graduate and undergraduate students, and philanthropists, nonprofit, and foundation practitioners.

Stanford PACS has relationships with five schools at Stanford University (Humanities & Sciences, Engineering, Education, Business, and Law) and more than 15 departments, and we leverage the intellectual assets of a diverse, world-class faculty across the university. This provides a unique platform to create knowledge and share it with the nonprofit and for-profit communities in Silicon Valley and globally.

Stanford PACS offers postdoctoral fellowships, PhD fellowships, and financial support for undergraduates completing honors thesis work. Additionally, Stanford PACS sponsors regular public speaker programs and symposia and philanthropy salons that include speakers who are well-known public intellectuals, philanthropists, and academic, foundation, and nonprofit leaders.

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ABOUT STANFORD SOCIAL INNOVATION REVIEW

Stanford Social Innovation Review (SSIR), published by Stanford PACS, informs, energizes, and motivates social change leaders from around the world and from all sectors of society —nonprofits, foundations, businesses, academia and government. Through an array of channels—daily online content, a quarterly print publication, monthly webinars, thematic conferences, podcasts, asynchronous learning assets, and more—*SSIR* bridges research, theory, and practice, and addresses a wide range of social issues (including economic development, human rights, public health, and education) and solutions (like impact investing, social entrepreneurship, and nonprofit business models). *SSIR*'s award-winning content is created for and by current and future social change leaders.

It is *SSIR*'s mission to advance, educate, and inspire the field of social innovation.

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EXECUTIVE SUMMARY

Every two years, the Stanford Center on Philanthropy and Civil Society hosts a Philanthropy Innovation Summit. At this day-long event, peer philanthropists, Stanford faculty, scholars, and leaders share their inspiration and expertise, authentic stories of successes and struggles, and results-oriented approaches to social change.

At this international convening, individual and family philanthropists connect in order to brainstorm with one another, leverage Stanford PACS research to catalyze effective philanthropy, and take away actionable ideas, best practices, new strategies, and new networks with which to amplify one's impact as a philanthropist.

This collection of articles, written by individuals at the Philanthropy Innovation Summit, expresses key themes, learnings, and questions that emerged throughout the day. By sharing these reflections, we hope philanthropists and social change leaders around the world will be better informed and even more motivated to leverage strategic philanthropy in tackling society's most pressing challenges.

Videos and additional materials from the Philanthropy Innovation Summit are available at: pacscenter.stanford.edu/summit2017learning

DESIGNING FOR STRATEGIC PHILANTHROPY— WITH THE EFFECTIVE PHILANTHROPY LAB

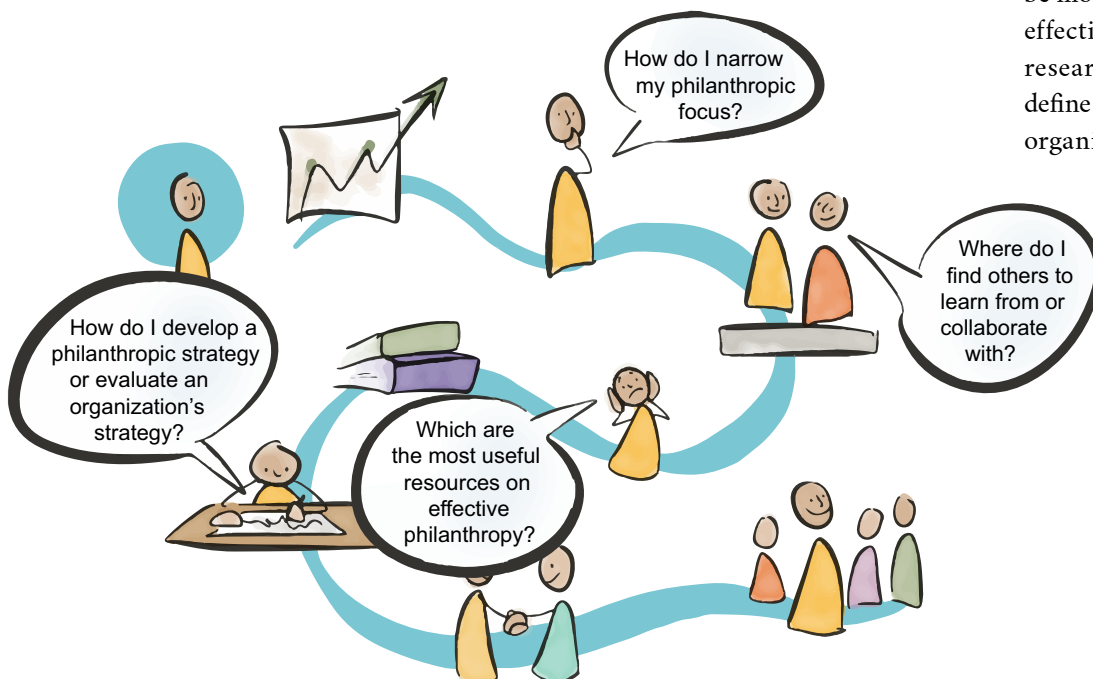
By Paul Brest and Nadia Roumani

In 2016, charitable contributions in the United States rose to a new high of \$390 billion, with \$282 billion coming from individuals (Giving USA, 2017). But according to Camber Collective’s “Money for Good” report, only 33 percent of philanthropists research the performance of nonprofit organizations before contributing to them, and merely 9 percent attempt any benchmarking.

It’s no wonder: Donors wishing to inform their philanthropic decisions with data about an organization’s effectiveness must navigate a disorganized maze of online and offline resources. There are currently hundreds of organizations and intermediaries that offer some kind of philanthropy education or advice; they come with varying price tags and offer unclear results.

The stakes are high. If resources are not deployed to high-performing organizations, it is likely that hundreds of millions of dollars are wasted on efforts that are not effective, in a sector where resources often feel scarce.

With the goal of improving philanthropic effectiveness, the Effective Philanthropy Lab (EPL) was founded at the Stanford Center on Philanthropy and Civil Society in 2015 by a grant from the Raikes Foundation’s new Impact-Driven Philanthropy Initiative. EPL addresses the needs of outcome-oriented philanthropists at various stages in their philanthropy journey, specifically aiming to help high net worth (HNW) individuals and families to achieve philanthropic impact in the areas of their interest. EPL also supports professional philanthropic advisors and educators to better guide their clients. EPL hypothesizes that if HNW donors have resources tailored to their particular interests and needs, they will be more likely to adopt and implement effective philanthropy strategies. EPL research and tools help donors to define their goals and identify effective organizations to support.



Based on the approximately 150 HNW philanthropists interviewed over the last two years, EPL has developed a taxonomy of donor behavior profiles, and found recurring barriers that donors face when trying to answer complex questions that sometimes paralyze them from taking the next step. These questions include:

- How do I narrow my philanthropic focus?
- Where do I find others to learn from and collaborate with?
- Which are the most useful resources on effective philanthropy?
- How do I develop or evaluate a philanthropic or organizational strategy?
- How do I know if an organization is having an impact?

One of the behavioral profiles, “do-it-yourselfers” (DIY), consists of outcome-oriented donors, early in their philanthropic journeys, who do independent research to develop their own philanthropy strategy. There are few readily available resources for DIY donors as they begin to develop their own decision-making processes.

With this target group identified, EPL launched a research project, the Giving Compass, to test the hypothesis that DIY donors will learn faster and be more likely to implement an impactful philanthropic strategy if provided with a trustworthy and user-friendly platform of tools and resources.

EPL designed a digital prototype that informed the recently launched the Giving Compass™, an online tool supported and developed by the Raikes Foundation, that provides a wide range of resources for donors. It is still to be determined whether and how a platform like the Giving Compass will change donors’ behavior. But the aggregation of high-quality resources across the sector will provide a new testing landscape and should lead to new and deeper learning for the strategic philanthropy sector. Additional resources that EPL is working on include a tool to help donors narrow their philanthropic focus from among hundreds of possible interest areas; a landscape of education, research, and advisory services available to HNW donors; a curated list of the best free online effective philanthropy resources; a free Stanford online self-paced course on philanthropy strategy; and a framework for assessing a nonprofit organization’s effectiveness.

A research center at its core, EPL will continue to test hypotheses and develop usable resources, working collaboratively with others in the nonprofit and for-profit sectors to improve the effectiveness of philanthropic giving.

Paul Brest is former Dean and Professor Emeritus (active) of Stanford Law School and the Marc and Laura Andreessen Faculty Codirector of Stanford Center on Philanthropy and Civil Society and Faculty Director of the Effective Philanthropy Lab. Nadia Roumani is the Director of the Effective Philanthropy Lab at Stanford PACS and a senior designer, designing for social systems at the d.school at Stanford University.

*Learn more about EPL at:
pacscenter.stanford.edu/the-effective-philanthropy-lab/*

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