



Stanford PACS  
Center on Philanthropy  
and Civil Society

# REFLECTIONS ON PHILANTHROPY

**FROM THE 2017 PHILANTHROPY INNOVATION SUMMIT**

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# ABOUT STANFORD PACS

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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

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*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

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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.

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*Videos and additional materials from the Philanthropy Innovation Summit are available at: [pacscenter.stanford.edu/summit2017learning](http://pacscenter.stanford.edu/summit2017learning)*

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# **PLACE, SCALE, AND DEPTH OF IMPACT**

## **PLACE-BASED PHILANTHROPY**

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By Maeve Richards

In Silicon Valley, intense economic growth and widening economic disparity have become almost inextricable from the landscape. As some residents of the area rapidly accumulate wealth while many more face financial instability and the mounting cost of living, economic tensions loom particularly large over the San Mateo and Santa Clara counties. As Alexa Cortés Culwell and Heather McLeod Grant's 2016 report "The Giving Code" revealed, the region's industries have brought immense affluence to a part of Silicon Valley's population—and, largely, those people are committed to giving away great sums of money, as long as they feel their giving is high impact. As emergent funders prioritize other factors, such as impact, over location, greater dollar commitments to philanthropy by locals hasn't necessarily resulted in more local giving. Meanwhile, area nonprofits and their beneficiaries are experiencing worsening financial stress as affordability crises in the region escalate.

The strategic, scale-oriented trend in Bay Area philanthropy has seemingly been at odds with the specific needs of the Valley's nonprofits and residents, as "The Giving Code" indicated. This tension demonstrates the critical need for diversity in philanthropic initiatives: While massively scaled, wide-audience programs are critical, place-based programs that are deeply specific to a community and location are also essential. Silicon Valley and its tenacious problems—unaffordable housing, stagnating wages, homelessness, and more—provide just one example of a community among thousands of others with deeply rooted, difficult-to-solve problems that require long-term efforts and funding.

Place-based philanthropy has been the subject of study for many philanthropists and foundations seeking to target the seemingly intractable issues that communities live with for decades. Place-based initiatives often target cities or even smaller areas, like specific neighborhoods, and typically involve deep, sustained engagement with multiple partners and beneficiaries who are acutely familiar with the targeted area—and importantly, they are often long-term financial commitments. The Detroit-based Skillman Foundation, for one example, had been making grants to local organizations in Detroit for decades before launching a 10-year initiative called Good Neighborhoods, Good Schools. Some foundations, like the Silicon Valley-based Sand Hill Foundation, feel an imperative to give back to the communities where their wealth was generated. Even large foundations like the Ford Foundation—which may not have a permanent affiliation with the neighborhood or city they seek to fund—have initiated place-based models, relying heavily on regionally familiar actors to help steward their efforts.

Place-based philanthropy can be a powerful force against deeply entrenched problems that cannot be solved via one-dimensional interventions, but they usually have inherently limited scope. When place-based programs prove effective, the inevitable question for funders is if and how their grants could go further to bring the program to more people—or, in other words, scale.

Answering that question requires considering other complicated ones:

How many people can a given program or initiative impact?

How deep will the impact be?

And how much money will it cost?

—or, more briefly, how many, how deeply, how much?

That framework reflects the seeming tension between place-based initiatives and highly scaleable programs. To reach more people, a program might have to compromise the depth of its impact, assuming non-infinite financial support. Often, place-based interventions and programs require such intimate, protracted connection to communities that to replicate the depth of their impact in another location without the same amount of investment and time would be difficult.

There are some resolutions to this tension noted by many scholars in the space. First, capacity building for nonprofits can profoundly impact their ability to deliver their services and interventions more widely. Capacity-building grants help nonprofits expand their reach, as can coalition building between organizations doing related work—two roles that many deeply place-based foundations and funders can play. As Katie Merrow of the New Hampshire Charitable Foundation recently wrote in *SSIR*, the NHCF has built local capacity by funding evaluations that nonprofits can use to attract other funders, thereby enabling them to expand their reach.

Some models that are specific to a city or neighborhood can become more sustainable if a nonprofit or coalition of actors can demonstrate proven effectiveness to local government. The adoption of an effective program by a local government will sustain its

impact into the future and possibly bring it into a wider audience. By funding programs that a local government may be persuaded to adopt, philanthropists use their money as society's risk capital and further innovation in the social service sector. Social impact bonds (SIBs), in which nongovernmental organizations are designated to carry out prospective pilot programs before a government adopts them, are one avenue to such partnership. The Colorado Coalition for the Homeless is carrying out such a program in Denver, and many other states and cities have begun to explore social impact bonds.

Finally, in the most accessible of these approaches, nonprofits and funders alike must share their knowledge as they explore place-based programs. Detailed reports (as the Skillman Foundation wrote on *Good Neighborhoods, Good Schools*) serve as a resource for others embarking on initiatives. Critically, sharing successful models can empower others with more knowledge about tested interventions and approaches. Funders can play a critical role in the knowledge-sharing process by funding studies and reports by nonprofits; using their platforms and networks to share findings; and signaling to other funders successful nonprofits and approaches.

Ability to scale is a priority for many philanthropists and foundations in Silicon Valley and elsewhere seeking to take on the disastrous problems facing people across the globe. And such programs are indeed essential as the global community works to diminish global food insecurity, exposure to disease, and other devastating conditions that affect millions of people. Often, the biggest foundations

take on such global initiatives—like the Rockefeller Foundation's 100 Resilient Cities initiative or the Gates Foundation's multiple disease-eradication programs. Meanwhile, the problems plaguing smaller communities remain pressing. Smaller foundations and local philanthropists are especially well positioned to support the people tackling the issues facing their communities; building capacity at regional nonprofits, piloting models for local government, and constantly sharing knowledge will grow impact—locally and beyond. Resilient Cities Initiative or the Gates Foundation's multiple disease eradication programs.

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