

# Philanthropy: Are We a Profession? Should We Be?

*Karl Stauber, Ph.D., President and CEO, Danville Regional Foundation, Danville, VA*

## Introduction

What is your favorite story about success in philanthropy? One of my favorites is told by John Barry in *The Great Influenza: The Story of the Deadliest Pandemic in History*:

Approximately 130 years ago, virtually no American medical schools required their applicants to demonstrate any qualification to gain admission—except the ability to pay tuition. Almost all medical schools were run as for-profit entities and were owned by faculty members. None had a regular requirement that students perform autopsies or see patients. Most doctors graduated from medical school after attending eight months of lectures. In 1870, even at Harvard, a medical student could fail four of nine courses and still get an M.D.

In 1873, Johns Hopkins, a New England Quaker, died and left instructions for the founding of a new type of university. Over the objections of the presidents of Harvard, Yale, and Cornell, the trustees of Hopkins' estate moved to create an American university modeled after the best universities in Germany, filled “with men consumed with creating new knowledge, not simply teaching what was believed.”

Johns Hopkins University opened in 1876, and its medical school opened in 1893. By 1900, with strong collaboration from the Rockefeller

## Key Points

- When philanthropy is assessed against seven standards for what constitutes a profession, it meets only 3 of them.
- Questions remain about the core concepts of the field, and how the field builds and disseminates knowledge.
- There is much discussion about “scientific philanthropy,” but the inability to answer these questions limits the field’s ability to function scientifically.
- Wisdom, rigor, and learning may be better approaches to philanthropy than a scientific approach.

Institute (founded by John D. Rockefeller), American medical practice was starting to undergo major reforms. The Rockefeller Institute championed the idea that doctors must make research an active component of their practice. In 1904, the American Medical Association began to inspect medical schools. In 1910, with support from another foundation, the Carnegie Corporation of New York, a report was issued calling for the closing of 120 of the approximately 150 medical schools in the United States. Many medical schools were seen as “without redeeming features of any kind ... [having] general squalor...clinical poverty” (Barry, pp.83-84).

By the time the United States entered World War I, the transformation was well under way, and the best medical schools in America were

beginning to surpass the best in Europe in the quality and quantity of research and education (Barry, p. 35). In less than 30 years, a small group of farsighted leaders, using ideas imported from other regions of the world and other fields transformed the teaching and practice of medicine.

This was done despite strong objections from the vast majority of practitioners of medicine and producers of medical doctors in America. In the beginning, it was done with virtually no public resources (Stauber, p. 91).

*Being (or becoming) a professional was a way for those born outside of privilege to gain power and prestige.*

Why is this story important? Stories help us to see what our norms are, what we hold up as success. John Barry’s report is important in two dimensions. It demonstrates what I see as success in philanthropy: that is, the transformation of a critical institution in ways that benefited many and that expanded the common good, often over the objection of vested interests. It is also important because it illustrates how a sector (medicine) moved from craft culture to a professional one in a relatively short period of time.

I have spent most of the last 35 years working in philanthropy, as staff at four foundations and consultant at many more. Along the way I have been an active partner in many joint efforts. I have served on boards of infrastructure organizations and nonprofits. I have also worked in state and national government and in the private sector. So what follows are the reflections and opinions of an experienced practitioner, but not a scholar.

**Question 1 – What Is Philanthropy?**

For the purposes of this discussion, philanthropy is the pursuit of efforts designed to improve the systems that develop and fulfill individuals, families and communities. Philanthropy operates at many levels, from international to local, across public, private (for-profit), and nonprofit sectors.

Philanthropy is related to, but distinct from, charity (Figure 1). Charity focuses on reducing the impact of social dysfunctions, like poverty. Philanthropy seeks to address causes. Charity is a product of the Judeo-Christian-Islamic traditions that assume the poor will always be with us. Philanthropy is a product of social optimism and modernism, beginning in the 18th and 19th centuries.

**Question 2 – What Is a Professional?**

I first became interested in this as a question during the early 1980s. While a part-time graduate student, I read Burton Bledstein’s *The Culture of Professionalism: The Middle Class and the Development of Higher Education in America*. Bledstein argued that professionalism became a great entry point into the middle class for many in the post-Civil War period. Becoming a professional was linked to all three of Bledstein’s characteristics of the middle class: “acquired ability, social prestige, and a life style approaching an individual’s aspirations” (Bledstein, p. 5).

Bledstein proposes that being a professional includes:

- a full-time occupation that is one’s principal source of income;
- difficult and extensive training;
- theoretical training that precedes practice or apprenticeship;
- mastery of “esoteric but useful systematic knowledge”;
- receipt of a license or degree from a certified institution;

FIGURE 1 Continuum of Giving



- provision of “technical competence, superior skill, and a high quality of performance”; and
- “an ethic of service which taught that dedication to a client’s interest took precedence over personal profit” (Bledstein, p. 86-87).

Being (or becoming) a professional was a way for those born outside of privilege to gain power and prestige. But it was done within a set of confining social rules that usually assured one’s continued membership in and allegiance to that profession.

The debate about what makes an occupation a profession has many voices, including (but certainly not limited to) Alan Klass; John L. Landgraf; Ellen Harshman, et. al.; Thomas Gannon; David Carr; and Thomas Brante. Each contains some distinction from Bledstein’s list, but the list does contain most of the overlapping elements.

**Question 3 – Is Philanthropy a Profession?**

Taking the criteria and applying it to philanthropy produces the following (Table 1, below):

*Justifications for answers.*

1. Unless born or married into the job, most people I know in philanthropy work full time, and it is their principal source of income.
2. My first boss in philanthropy was Bill Bondurant at the Mary Reynolds Babcock Foundation. He was a great teacher; he selected

people carefully and then trained them by letting them try things, succeed, fail, and learn. Most of the highly skilled “philanthropoids” (a Bill Bondurant word) I have known learned from a combination of *doing* and a great, encouraging teacher, not through difficult and extensive training as in medicine or law. Most people I know in this field came with training in another one.

3. There are a growing number of academic training programs at universities related to philanthropy, but there is no agreed-upon theoretical base or curriculum for the field. Nor am I aware of any foundations that require or even prefer people to have graduated from such a program. Fifty years ago a similar pattern may have been apparent in fields like business, where an M.B.A. is now seen as critical in some areas. It would be interesting to understand how that evolved and if it has proven beneficial to business as a profession. However, that is beyond the scope of this discussion.
4. A competent practitioner in philanthropy has to master a limited amount of esoteric knowledge, much of it related to Internal Revenue Service rules, rather than the norms of best practice. It is best that a program officer know the basic requirements of a “qualifying distribution,” “disqualified persons,” “tipping,” and the restrictions on “lobbying.” Most of the

TABLE 1 Philanthropy and Criteria for Being a Profession

Criteria	Does Philanthropy Meet the Test?
1. A full-time occupation that is one’s principal source of income	Often
2. Difficult and extensive training	No
3. Theoretical training that proceeds practice or apprenticeship	No, although some movement in this direction
4. Mastery of “esoteric but useful systematic knowledge”	In a very limited way
5. Receipt of a license or degree from a certified institution	No
6. In-practice use of “technical competence, superior skill, and a high quality of performance”	No systematic standards exist within the field for any of these
7. “An ethic of service which taught that dedication to a client’s interest took precedence over personal profit”	Yes, depending on how “client” is defined

experienced practitioners I know in this field understand all of these basic concepts, excluding the last. On lobbying, I am still surprised by how many of my colleagues hide behind the “it’s all prohibited” rhetoric, when the law and regulations say otherwise. On each of these topics, excellent materials and training are readily available from the Council on Foundations, regional associations of grantmakers and nonprofits like the Center for Lobbying in the Public Interest and Independent Sector.

5. While many foundation jobs require a degree, that degree is rarely in a proscribed field unless the funder works in a specific area like medicine, music, or scientific research.
6. Technical competence, superior skill, and a high quality of performance are all things I hear philanthropists discuss, long for, and often strive for. But this field has no systematic definitions, standards, or measurements for any of these. Whether the field should be discussed below.
7. In my experience, there is an ethic of service within most of philanthropy. The majority of those I know within this field, whether they be trustees or staff, grantmakers or grant implementers, are doing “the work” to make some aspect of the world a better place. Reasonable people can and do often disagree about *means*, but most I know in philanthropy are dedicated to ends that fall somewhere along the continuum of charity to philanthropy (see Figure 1).

#### Question Four – *Should Philanthropy Strive to Become a Profession?*

Remember John Barry’s description of the training of medical doctors before the transformation envisioned by Hopkins and led by Rockefeller and Carnegie? Would the growth of philanthropy’s impact on the world be as great if we could create and then broadly adopt something like the “science-based” model of medicine? If such a transformation were possible, would we have the courage to shake up the world of foundations and

nonprofits as much as happened in medicine in the late 19th and early 20th centuries?

When I entered the field in 1975, people were struggling with how to improve the “practice of philanthropy.” The Filer Commission (1975) was underway and because of Paul Ylvisaker, then dean of the Harvard School of Education and trustee of the Mary Reynolds Babcock Foundation, I had access to many of the Commission’s working papers. The first book I read about philanthropy, Waldemar Nelsen’s *The Big Foundations* (Nelsen, 1972), was a sometimes scathing critique of the 30 largest foundations and what Nelsen saw as their social isolation and disconnectedness from critical problems facing America.

I enjoyed Nelsen’s book, but I found much of the Filer Commission reports drier than dust. The first book that really grabbed my attention was John Nason’s *Trustees and the Future of Foundations* (Nason, 1977). Nason’s work was very applied; it answered many questions about the natural tensions between boards and staffs of foundations. I found it wise and useful. It increased my understanding of the norms of the field. Soon thereafter I obtained a pre-publication copy of one of my favorite foundation monographs – *Left-Handed Fastballers: Scouting and Training America’s Grass-roots Leaders 1966-1977* (Nevin, 1981). Written by David Nevin for the Ford Foundation at the instigation of then-program officer Ed Meade, it was, for me, the first foundation-funded critique. Focused on Ford’s \$11 million rural Leadership Development Program that assisted approximately 700 nontraditional leaders, it was a summary report compiled by a journalist rather than a social scientist. I found it a powerful story of wisdom and hope, one that I have learned from throughout my career.

Thirty-five years ago there was *Foundation News & Commentary* (no longer published), periodic reports from the Foundation Center, and an occasional book. Today the conversation in philanthropy is much richer, deeper, and certainly faster; I can’t imagine how any practitioner in the

field can keep up with the flow of information and opinions.

The publication in which this reflection appears, *The Foundation Review (TFR)*, reflects the change. If you so desire, you can have many philanthropy-related articles delivered to your laptop almost every day. There is also a plethora of nonprofit and for-profit intermediary groups focused on “philanthropic improvement.” Today “philanthropic improvement” has become a sector almost unto itself. In some future issue, *TFR* should feature articles debating whether the *philanthropic improvement* sector has added value to philanthropy in excess of its cost. I wonder.

What are the major unanswered questions or undeveloped means that stop philanthropy from becoming a profession – assuming, for the moment, that professionalization is desired?

### Outstanding Question One – What Are the Dominant Ideas or Concepts That Define Our Field?

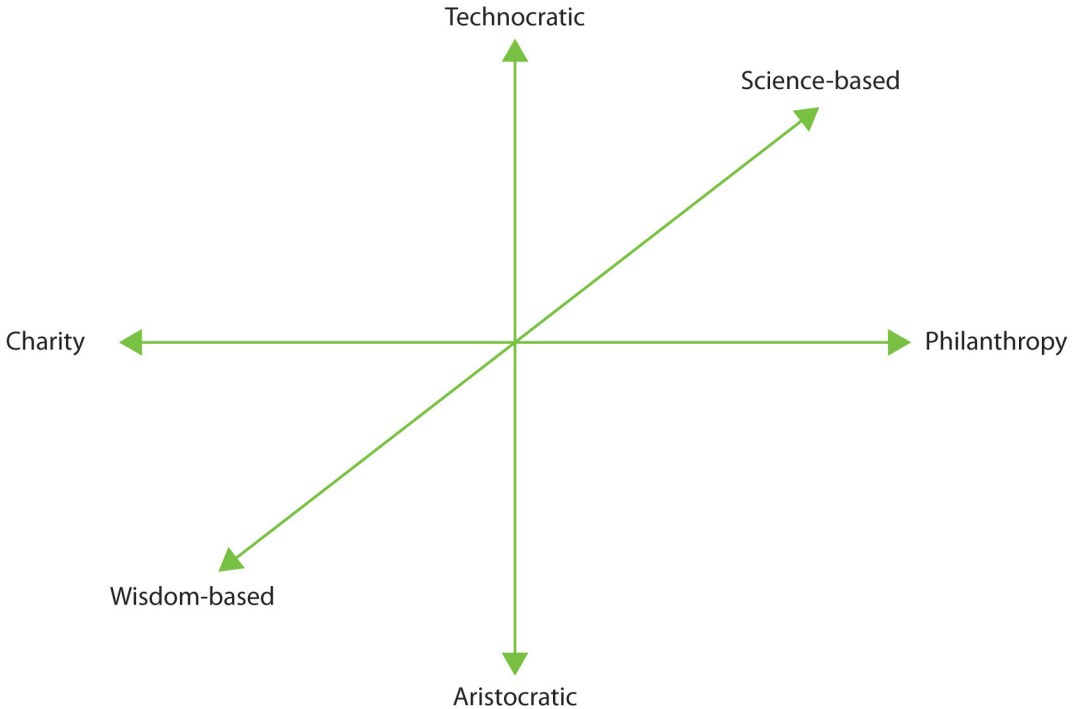
When one enters a new field, the inclination is to quickly grasp the dominant and emergent schools of thought. In sociology, for example, schools of thought might include Karl Marx’s conflict, Emile Durkheim’s functionalism, and George Herbert Mead’s symbolic interactionism. What are philanthropy’s dominant schools?

Philanthropy does not have schools of thought, because we are process-based and approach-based, rather than theory-based. This makes philanthropy very focused on tools and status, rather than on a competition among dominant ideas.

### Dimensions to the Practice

There are many dimensions that can be used to examine the practice of philanthropy. I have selected these three (Figure 2) because they are

FIGURE 2<sup>1</sup> Dimensions of Philanthropic Practice



<sup>1</sup>This should be conceptualized in three dimensions, rather than two.

critical to our understanding of *how* we do our work. The three are:

- (1) philosophy – charitable to philanthropy;
- (2) approach – technocratic to aristocratic;
- (3) epistemology – science to wisdom.

Dimension 1, philosophy, has already been discussed earlier in this article. It focuses on the purpose of this sector, from reduction of suffering to elimination of the causes of suffering. Both are important.

*People often do not realize that others see the world differently, that their experience and training cause them to “stand in a different place.”*

Dimension 2, approach, is more complicated. Our culture struggles with the tension between merit by accomplishment and skill versus merit by ancestry and association. Nowhere is that tension more apparent than in philanthropy. In my experience, some foundations are aware of and thoughtful about these tensions; others are oblivious but not unaffected.

- Why does your foundation have resources to distribute to nonprofits? In many cases, it is because rich people, encouraged and rewarded by public policy, have given large amounts of money to your organization. Most often, you as a board or staff member did nothing to earn that money.
- Why are you on the board or staff? Fairly often you are there because of your class connections, not because of your special knowledge or skills. When you ask who is on the board of a potential grantee, are you actually asking about class connections?
- How do you design your grantmaking process? Is the first screen technical knowledge or social

connections? (This is not to suggest that many “competitive models” are not without class biases. A research proposal from a Ph.D. scientist at Harvard is likely to be advantaged over one from Chico State.)

- How do you answer the question, “Who can best get a project done – those who are best connected or those who know the most?” The answer is both, but many of us start at one end of the continuum or the other, and then move to the middle. And the end, where you start or where your organization starts, has a significant impact on how you do your work.

Dimension 3, epistemology, has been a topic of debate for my entire career and before. By epistemology, I mean understanding how you think about what is true and valuable.

In the 1980s, while serving as vice president of the Northwest Area Foundation, I oversaw what was then the largest private research effort in the United States comparing conventional and sustainable agriculture. We were having one of our periodic meetings with farmers and academics, which often included a day of visits to farms to see what was happening on the ground (literally). We visited a dairy operation in Minnesota where the farmer was experimenting with rotational grazing, a technique where cows eat foliage in a small portion of a pasture and then are moved to a similar sized paddock, rotating across an entire pasture over time, and seasonal dairying, where cows are milked approximately two-thirds of the year then allowed to rest for the remaining third.

The presenting farmer talked at some length about the improved health of his cows and fields, with qualified and quantified indicators to support his argument. When it came time for the researcher to speak, he indicated that the results were promising for this farm but were not significant. The use of the word *significant* angered the farmer, who went on to make some disparaging remarks about the significance of researchers.

My boss at the time, Terry Saario, who was trained as an anthropologist, had warned me that

bringing practitioners and researchers together was risky, as the two groups often saw the world in different ways. She made it clear that it was not about “right or wrong,” but about “where we stand.” She also helped me to understand that people often do not realize that others see the world differently, that their experience and training cause them to “stand in a different place.”

There is continuing demand within the field for “scientific” philanthropy. In recent years, Paul Brest of the Hewlett Foundation has been one of the most vocal supporters of the “scientific” approach. And maybe we are finally approaching that point. Based on work funded by Hewlett, Mark Kramer and his colleagues at FSG Social Impact Advisors report that:

A surprising new breakthrough is emerging in the social sector: a handful of innovative organizations have developed web-based systems for reporting the performance, measuring the outcomes, and coordinating the efforts of hundreds or even thousands of social enterprises within a field. These nascent efforts carry implications well beyond performance measurement, foreshadowing the possibility of profound changes in the vision and effectiveness of the entire nonprofit sector (Kramer).

Ambitious words; we will see if they play out. But my fear is that the “scientific” approach most often drives us to focus on what is easiest to measure, which is not the same thing as what is most important.

I have known 16 of the 29 recipients of the Robert W. Scrivner Award for Creative Grantmaking, which has been presented by the Council of Foundations since 1985. This award, memorializing the work of the late Bob Scrivner, whom I also knew, “honors grantmakers who, with a combination of vision, principle, and personal commitment, are making a critical difference in a creative way” (Council on Foundations). Without exception, I’d put the 16 at the “wisdom” end of the continuum. They are good at perceiving if an initiative has attracted the “right” people, is challenging norms in powerful ways, and is likely to produce significant results. Do they have a standard approach, based

on repeatable norms? No. Are they rigorous and tenacious in their approaches? Yes. Have their individualized approaches produced numerous significant results? Yes.

In my early years in philanthropy, I believed in the goal of a scientific approach. Today, I see that great work can be done by wise program people if they have a clear vision and strategy, rigor and tenacity, support from courageous bosses, and the freedom to make mistakes and learn from them. We know how to learn as individuals and sometimes as foundations, but not as a field.

*We know how to learn as individuals  
and sometimes as foundations, but  
not as a field.*

If you bring these three dimensions together, you start to get a sense of the operational complexity within the field. It starts to produce a Myers-Briggs-like portrait of foundations and their variability. Who are the people you most admire in philanthropy? How would you place them on this three-dimensional matrix? Maybe they don’t have a single intersection, but instead have a range of effectiveness that produces a zone or cloud. Zach Smith, a member of the Reynolds family and a board member at the Babcock and Z. Smith Reynolds foundations, was one of my early mentors. He was at an intersection of aristocratic, wisdom-based and philanthropy (most of the time). The matrix would have helped me to understand how he saw the world and how it might have differed greatly from his cousins, who were also on the board but more likely to be aristocratic, science-based, and charity-focused.

But we don’t often discuss where our foundations fall in this three-dimensional space, and whether that place helps us to be more successful. And this space is about means, not about ends. Ends are largely about values, which lay outside of the scope of this article.

## Outstanding Question 2 – How Do We Learn as a Field? Are We Becoming More Effective in Our Work Over Time?

Philanthropy is filled with smart, hardworking, caring people. Yet we have no system that helps us to become more effective, whether we take a scientific or a wisdom approach. While the volume and diversity of discourse today is radically different than it was 35 years ago, is our curve showing improvement, stasis, or decline? There are many great approaches focused on individual funders, among them Bryon Harrell's just-released *Super-Charged Giving: 2006's Creative Philanthropy* by Helmut Anheier and Diana Leat; chapter 10 of Joel Fleishman's *The Foundation: A Great American Secret, "Steps to Achieve High Impact: A Commonsense Approach to Strategy"* (Fleishman, 2007); and Harold Williams and Arthur Webb's *Outcome Funding: A New Approach to Public Sector Grantmaking*, first published in 1991. But attention to creating a field-wide system of learning is rare.

The Hewlett Foundation is providing real leadership in this area, but I am not certain where they are leading us. In association with McKinsey and Co., Hewlett has released a study, "The Nonprofit Marketplace: Bridging the Information Gap in Philanthropy" (McKinsey and Co. and William and Flora Hewlett Foundation, 2009). I cannot tell if they mean the "marketplace" to be a model or a metaphor.

If it is a model, keep in mind that:

- economic marketplaces reward success and punish failure;
- reward and punishment are roughly equivalent to risks taken;
- markets continually search out unmet needs and are successful when they find someone to pay for meeting the needs, but not all needs produce buyers;
- markets look for opportunities to exploit knowledge gaps and convert them to competitive advantage; and
- as demand fluctuates, advantage goes to those who can respond the fastest and most efficiently.

If it is a metaphor, we must have:

- mechanisms to reward knowledge created and shared;
- means of identifying and incentivizing success and identifying and disincentivizing failure; and
- ways of making learning self-supporting.

As a metaphor, the marketplace has much to offer. As a model, I question the fit. But regardless, it must equally apply to grantmakers and grant users if it is to succeed. Grant users have to earn their ability to exist on a continual basis; funders do not. One of the major gaps we have not addressed as a field is how to create a set of incentives and punishments that apply equally across both supply and demand sides of the philanthropic equation.

In my experience, one of the greatest gaps in the area of learning and improving is our failure to examine the preconditions critical to the success of initiatives and individual grants. Often we seem to assume everything begins with a grant, which we know is wrong. It is like when we assumed schools alone could successfully educate children and make them ready for the next stage of their lives. Examination processes that ignore the preconditions influencing success make our efforts significantly less reliable.

Are we any more effective today than we were 35 years ago? I don't see much evidence, qualified or quantified, that we have made much progress here. If we are to progress as a field, we must move forward in this dimension. I believe that a rigorous "wise person" approach will get us further, faster. But I have no evidence to support that claim.

Part of our challenge may be that we have no shared definitions of success and of failure. Each of the world views suggested in Figure 2 may have varying norms for success and failure. This is another topic for debate in publications like *The Foundation Review*.



**Outstanding Question 3 – How Do We Diffuse What We Learn?**

Diffusion is critical to getting knowledge to scale and impact. If we cannot get new ideas to scale and to impact, we are doomed to be an ineffective and inefficient field. Learning without diffusion is as useful as a boat without water, a kite without a breeze, or seeds without a garden.

Diffusion does not occur without effort. Economic markets are good at some diffusion because the rewards are clear and the consequences of failure keep many bad ideas from wasting our time. But in social realms, diffusion is much more difficult.

Everett Rogers, in his classic *Diffusion of Innovations*, suggests there are four main elements to diffusion – an innovation, communication channels, time, and the social system (Rogers, 1995, pp. 10-35). Philanthropy, for all of our thoughts about ourselves as “captains of innovation,” is absent from this seminal book. Maybe that alone should provide a very important lesson.

While our field has many innovations or is aware of them among our partner grant users, we have few communication channels or social systems needed to diffuse them.

It is easy for us, in an age of multiple communication channels and mass distribution, to assume it is true that the cream rises to the top or that if

you build a better mousetrap, the world will beat a path to your door. But Rogers’ book is filled with examples of innovations that were slow to diffuse or never did, or that failed in diffusion.

When I became the first president of the Danville Regional Foundation in 2007, I consulted five national foundations where I had access based on past interactions. People were very willing to meet and share what they knew. I asked each of the five for one thing – proven practices that are ready to be implemented and, when properly applied, have a high probability of demonstrating on-the-ground success in the economic and cultural transformation of the Dan River Region. I was open to proven practices in economic development, health, education, poverty reduction, or related areas. My goal was to demonstrate what success looks like in a region that had recently experienced much failure, including the loss of 10,000 jobs in seven years, the second highest childhood poverty rate in Virginia, and an obesity rate twice the state average

We would have loved some money from these national funders, but what I really wanted most were ready-to-go strategies. All five foundations do wonderful work, but only Annie E. Casey had appropriate strategies ready to go. So, we have taken their great work on earned income tax credits, formed a regional coalition of four non-profits who were already doing a little in this area,

TABLE 2<sup>2</sup> Levels of Impact

Scale/Impact	Policy	Practice
NATIONAL	Change school size and type bias in some federal programs	Supportive White House and Education Department
STATE	Authorize charter schools and assure them equal access to funding	Supportive-to-neutral leaders, including labor unions
LOCAL	Change rules to allow charter schools; assure access to equal funding, adequate technical assistance, and oversight	Motivated parents, teachers, nonprofits and religious groups raise capital and operate charter schools

<sup>2</sup> This is based on my own limited observations of the development of charter schools in Minnesota. The specific pattern may be different in individual states.

committed more than \$600,000 over three years (without a dime from Casey) – and now we point to it as one of the Danville Regional Foundation’s first examples of success, both a process and outcome success.

At each of the five national foundations, I have asked, what is your diffusion strategy? How do you get proven practices successfully to the ground? When can you use a local or regional partner, like health conversion foundations, to be your implementing agents? All five foundations have elements of diffusion, but none appear to have a systematic effort that gets success to the ground.

I see two critical “what” questions about diffusion: What is the type of impact a funder is striving for? What is the best scale or combination of scales required to obtain the impact? The complexity of this is suggested in Table 2.

*Funders that are focused on impact need to consider the variety of levels and changes in practice needed for successful diffusion.*

*Variety of Dimensions of Diffusion – Charter Schools*

For me, an innovation is not successfully diffused unless it gets to scale and gets to the ground. Sometimes successful diffusion gets to scale by a combination of local practice and state and national policy – for example, the spread of “charter schools” throughout the United States. This required many state and local school boards to change policy. But much of that policy change was pushed locally by parents who were dissatisfied with their public school options.

Funders that are focused on impact need to consider the variety of levels and changes in practice needed for successful diffusion. Working only at the national or local levels will rarely cause an in-

novation to get to scale or to the ground. It takes both.

It would have been possible to change the policies and practices at the federal level and never have much impact. Similarly, with only changes in local practice, this strategy would never have gotten to scale. Regardless of a funder’s level, diffusion requires working in multiple dimensions.

I see three different approaches being diffused in philanthropy:

1. Products – For example, the Bill and Melinda Gates Foundation pushing small high schools, the Northwest Area Foundation with its Horizon effort on leadership development and poverty reduction, or the Ford Foundation’s promotion of micro-lending in low-income communities. The major challenge with product diffusion is that it only works when the circumstances are ripe, and often the funder advocate does not understand what the necessary preconditions are. Metaphorically, the product approach is like hybrid corn. When farmers switched from traditional seeds to hybrid, output often rose by 25 percent if the production system was ready. This meant more fertilizer, different crop rotation, more pesticides, and increased use of machinery. If the funder does not fully understand the necessary preconditions, damage can actually be done.
2. Process – For example, the multifunder National Fund for Workforce Solutions, the Blandin Community Leadership Program, or the Jacksonville Community Foundation’s Quality Education for All initiative. Process approaches can be very useful ways to focus activity and to build on what has worked in other places. But organizations and individuals that have immediate needs can find a process approach draining or distracting. They also run the risk of being top-down on the wrong factors – funders telling groups *how* to operate when, in fact, the funder does not know.

3. Capacity – Examples include the Mary Reynolds Babcock Foundation's organizational development and learning initiative in poor parts of the South, the Open Society Institute's Civil Society Initiative in central and eastern Europe, and the McKnight Foundation's Minnesota Initiative funds. The challenge of this strategy is the long time to impact and the difficulty in observing change.

Each approach can be done well or poorly.

But even as the formal philanthropic structures are struggling (or not) with diffusion, new mechanisms may be leaving them behind. Lucy Burnholz, in her blog *Philanthropy 2173*, reports on a meeting of the Social Capital Markets conference in California in September 2009.

The energy level of these folks is amazing. In the midst of global recession, there is optimism, hope, ambition, big thinking, and things happening on the ground. Hats off to the folks who came to San Francisco from 30 countries to demonstrate, deal-make and dig deeper. ... [T]here is a global network of doers, thinkers, and policymakers ready to connect, think and act on the myriad issues that shape how social capital will work – we had Swiss, Singaporeans, Brits, South Africans, Canadians, and Americans at the table this morning – we want to include the rest of the world, too! (Burnholz, 2009).

Sean Stannard-Stockton, in the blog *Tactical Philanthropy*, said of the same conference,

Attendance at the 2nd annual Social Capital Markets Conference cleared 1,000 people representing a 70% increase over last year. Attendance at the 2009 Council on Foundations conference in May of this year was 1,200, a 35% decline from previous years.

What I found most engaging about the conference was the way it represented a different world view than so many philanthropy conferences. I had a conversation with a leading philanthropy scholar a few months ago about how we might map various philanthropic approaches. He suggested that one axis along which various philanthropic world views fell should be labeled Constrained vs. Unconstrained. To

this professor's way of thinking, "Constrained" philanthropy assumes that there are a set number of inputs we can use to create social impact. Our job is to optimize these inputs to create the most social value. "Unconstrained" philanthropy on the other hand believes there are an unlimited number of inputs and the range of potential outcomes has no bound.

To me, the SoCap conference represents Unconstrained approaches to social impact. Almost every session focused on questions of, "how might we build something that doesn't yet exist?" At many traditional, "constrained" philanthropy conferences, the sessions focus on identifying what the rules are and how we might best play by them.

Something's happening in philanthropy. Something important. SoCap seems to be drawing together a group of people who aren't interested in limits and are looking for ways to turn things up to eleven" (Stannard-Stockton, 2009).

*There is no learning unless there is a change in behavior.*

#### Summary

The last 30-plus years have seen major changes in the field of philanthropy and there has been a significant level of continuity. We continue to struggle along the dimensions of *philosophy* (philanthropy to charity), *approach* (technocratic to aristocratic), and *epistemology* (science to wisdom). Today's debates are more vigorous and diverse than in the past. Much of the debate continues to be at a national level, even as a majority of grantmaking has local to regional flavor.

But for all the changes, we are still struggling with a set of core questions:

1. What are the dominant ideas or concepts that define our field?
2. How do we learn as a field? Are we becoming more effective in our work over time?

3. How do we diffuse what we learn?

For several years I worked with ellery july at the Northwest Area Foundation. He argued that there is no learning unless there is a change in behavior. I think he is right. Extending the argument, there is no philanthropy, unless the activity gets to the ground, improving the lives of people, families and communities. We need to make more progress answering the core questions, if we are justify our continued privilege.

**Conclusion**

Philanthropy is not a profession, and it should not become one. We should be rigorous. We should learn from our work. We should help our partners and be helped by them. But a *wisdom-focused* approach may produce better results than a *science-based* one.

We must have systems that reward learning and diffusion, even as we struggle with our upper-class biases. If we do not create and maintain the systems that require us to learn and share so as to increase our impact, we will likely lose our government- and donor-provided franchise.

**References**

ANHEIER, H.A., & LEAT, D. (2006). *Creative philanthropy: Toward a new philanthropy for the twenty-first century*. New York: Routledge.

BARRY, J.M. (2004). *The great influenza: The epic story of the deadliest plague in history*. New York: Penguin Press.

BLACKBAUD, INC. (January 2009). *2008 State of the nonprofit industry: North American survey results*. Retrieved January 2009 from [http://www.blackbaud.com/files/resources/industry\\_analysis/2008\\_SONI\\_NorthAmerica.pdf](http://www.blackbaud.com/files/resources/industry_analysis/2008_SONI_NorthAmerica.pdf)

BLEDSTEIN, B. (1976). *The culture of professionalism: The middle class and the development of higher education in America*. New York: W.W. Norton.

BRANTE, T. (1998). Sociological approaches to the professions. *Acta Sociologica*, 31, 119-142.

BURNHOLZ, L. (September 3, 2009). *Social capital markets roundup. Philanthropy 2173: The business of giving*. Retrieved September 5, 2009, from <http://philanthropy.blogspot.com/2009/09/social-capital-markets-roundup.html>

CARR, D. (2000). Education, profession and culture:

Some conceptual questions. *British Journal of Education Studies*, 48, 248-268.

COUNCIL ON FOUNDATIONS. Retrieved September 5, 2009, from <http://classic.cof.org/Council/content.cfm?ItemNumber=791&navItemNumber=2189>

FILER COMMISSION (1975). *Giving in America: Toward a stronger voluntary sector*. Washington, D.C: Commission on Private Philanthropy and Public Needs.

FLEISHMAN, J.L. (2007). *The foundation: A great American secret*. New York: PublicAffairs.

GANNON, T.M. (1971). Priest/minister: Profession or non-profession? *Review of Religious Research*, 12, 66-79.

HARRELL, B. (2009). *Super-charged giving*. New Orleans: Philoptima.

HARSHMAN, E.M. (2005). Professional ethics in a virtual world: The impact of the Internet on traditional notions of professionalism. *Journal of Business Ethics*, 58, 2.

KASS, A.A. (ED.)(2007). *Giving well, doing good: Readings for thoughtful philanthropists*. Bloomington: Indiana University Press.

KLASS, A.A. (1961). What is a profession? *Canadian Medical Association Journal*, 85, 698-701.

KRAMER, M.L. (2009). *New breakthroughs in shared outcome and impact measurement increase funder and nonprofit effectiveness*. Boston: FSG Social Impact Advisors.

LANDGRAF, J.L. (1977). Can anthropology twist? Some observations on past history. *Anthropological Quarterly*, 50, 205-209.

McKINSEY AND COMPANY AND WILLIAM AND FLORA HEWLITT FOUNDATION (2009). *The nonprofit marketplace: Bridging the information gap in philanthropy*. n.p.:McKinsey.

NASON, J.W. (1977). *Trustees and the future of foundations*. New York: Council on Foundations.

NELSEN, W. (1972). *The big foundations*. New York: Columbia University Press.

NEVIN, D. (1981). *Left-handed fastballers: Scouting and training America's grass-roots leaders 1966-1977*. New York: Ford Foundation.

ROGERS, E. (1995). *Diffusion of innovations*. New York: Free Press.

ROGERS, E.M. (2003). *Diffusion of innovations*, (5th ed). New York: Free Press.

STANNARD-STOCKTON, S. (September 8, 2009). *Unconstrained philanthropy*. Tactical Philanthropy Advisors. Retrieved September 8, 2009, from <http://tacticalphilanthropy.com/2009/09/unconstrained->

philanthropy

STAUBER, K. (2004). *Creating new rural development strategies: The role of non-profits*. *New Governance for a New Rural America: Reinventing Public and Private Institutions*, p. 91. Kansas City: Federal Reserve Bank of Kansas City.

WILLIAMS, H. S. (1991). *Outcome funding: A new approach to public sector grantmaking*. Rensselaerville: Rensselaerville Institute.

*Karl Stauber, Ph.D., has been President and CEO of the Danville Regional Foundation, a private foundation that promotes innovation and long-term transformation to enhance economic development, education and wellness in Virginia and North Carolina's Dan River Region. A published author, frequent keynote speaker and philanthropic expert on rural communities, Stauber was the first Senate-confirmed Under Secretary for Research, Education and Economics with the United States Department of Agriculture, and has served on the staff of the Northwest Area Foundation, the Needmor Fund, and the Babcock Foundation. He holds a public policy Ph.D. from Union Institute, a certificate from the Harvard Business School, and a B.A. in American studies from the University of North Carolina at Chapel Hill. He is a member of the Board of Directors for the U.S. Endowment for Forestry and Communities and the Future of the Piedmont Foundation, as well as an advisory member to the Council on Foundations' Rural Initiative. He has served as a board member for a number of philanthropic intermediary organizations. He can be reached at [kstauber@danvilleregionalfoundation.org](mailto:kstauber@danvilleregionalfoundation.org).*