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DO
MORE
THAN
GIVE

The 6 Practices of Donors
Who Change the World

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CHAPTER ONE

CATALYTIC PHILANTHROPY

“What business are you in?”

Peter Drucker, the renowned author and management expert, regularly posed this naive-sounding question to corporate executives whom he advised. How a donor answers this query can reveal a lot about his or her approach to philanthropy too.

Most foundation leaders and individual donors might answer that they are in the business of “giving away money.” These funders define their philanthropic purpose as making grants to worthy charities. Many do so with great thought and care. Some are exceptionally strategic in their approach, guiding their grantmaking with highly refined theories of change.

That’s not what this book is about. The donors profiled here cast their role in a different light. They see themselves as active participants in the business of solving social and environmental problems—or at least, making a significant dent in an issue. They define their purpose as achieving as much impact as possible. Indeed, their aim is no less than to change the world. So even though donating money to nonprofits is one means of achieving that goal, it’s often just a starting point. It’s not the endgame.

As a result this book doesn’t talk much about how to give away money. Instead, we focus on what donors can do to become more proactive players in solving problems and advancing the causes they care about. The donors we profile don’t just write checks or make grants. Instead, they catalyze action across each sector of society. They speak out to ask government leaders to change ineffective laws or create new ones. They use their clout and influence to steer businesses to become engines of social

progress. They collaborate with their foundation and nonprofit peers, rather than operating at arm's length. And they empower the very individuals that they seek to help, treating them as partners in progress rather than as recipients of charity. Their impact isn't driven by the amount of money given away but by the six key practices they use to catalyze change, as we describe later in this chapter and throughout the book. They *do more than give*.

This book contains stories that can be inspirational and useful to all kinds of donors; however, you may not recognize many of the individuals and foundations profiled here. Most would not make it onto a media list of the wealthiest donors, although a few do—Bill Gates, for example. The donors we write about have all given away large sums of money—hundreds of thousands, millions, even billions of dollars—yet the principles we describe can be used by donors with charitable-giving budgets of any size. In every case it is the knowledge and leadership of the funders—and their adeptness at employing the tools of catalytic philanthropy—rather than the size of their giving budgets that has earned them a place in this book.

You'll meet philanthropists like Emily Tow Jackson, executive director of her parents' foundation and a mother raising three school-age children in a small, bucolic Connecticut town. For the first seven years, The Tow Foundation did not employ any staff and funded mostly "meds and eds"—gifts to medical research to cure a disease that afflicts a family member and professorships at family members' various alma maters. After Tow Jackson became its full-time leader, The Tow Foundation grew more committed to solving social problems and soon emerged as a leading advocate for reforming the state's broken juvenile justice system. Tow Jackson had never before worked with court-involved or incarcerated youth, nor was she trained as a lawyer. But through the foundation's funding and advocacy, Tow Jackson's efforts contributed to dramatic decreases in Connecticut's rates of incarceration and to major legislative changes that moved sixteen- and seventeen-year-olds from the adult criminal justice system back to the juvenile justice system, among other reforms.

Large private foundations may also do more than give, as the Shell Foundation in the United Kingdom does. The impetus for creating this independent philanthropy, endowed with a US\$250

million start-up gift in 2000 by Royal Dutch Shell plc, was largely environmentalists' and antiglobalization activists' outrage over the Anglo-Dutch company's plan in the 1990s to dump a defunct oil rig in the North Sea off Brent Spar, among other infractions.¹ But instead of launching a traditional corporate foundation designed primarily to placate nonprofits with grants or provide public relations cover, Shell Foundation did something entirely different: it decided to apply its business know-how to solving global problems like poverty, and it has since been financing and assisting entrepreneurs to launch and grow small and medium-sized businesses in some of the most underdeveloped regions of the world. Of course Shell benefits from helping communities where it operates. But what's unique is that the Shell Foundation leverages the power of private enterprise to solve social problems, rather than taking the path of the more traditional corporations that sprinkle gifts across a range of local issues in towns where their employees happen to live and work.

In this book you will also meet individual donors who go beyond giving money to find ways to leverage their time, talents, and connections to advance the causes they care about, whether they give through their community foundations, donor-advised funds, or directly to nonprofits. They may advocate as shareholders at annual company meetings. They may sign petitions to change government policy. They may join coalitions to collectively push for other reforms. However they act, these donors *do more than give*.

We call these foundations and individuals *catalytic*. It's popular these days for donors, particularly those who fund start-ups or help existing nonprofits to grow, to refer to themselves as catalysts; however, we mean something more specific by the term *catalytic*. In chemistry the addition of a small amount of catalyst causes or accelerates a much larger chemical reaction, although the catalyst is not itself a part of that reaction. In philanthropy, donors who define the act of giving more broadly than as simply donating money to nonprofits, and who focus their time or the time of a foundation's trustees, staff, and board on highly leveraged, cross-sector activities, produce an effect that is much *greater than the sum of its parts*. This is what enables small donors to have more impact than some billionaires who rank above them in sheer giving. These catalytic donors *punch above their weight*.

ORIGINS OF CATALYTIC PHILANTHROPY

The idea behind catalytic philanthropy starts with two main premises. Our first premise is this:

Donors have something valuable to contribute beyond their money. The clout, connections, business know-how, and political savvy that foundation leaders, business executives, and many individual donors possess are key resources in advancing causes—resources that nonprofits often lack.

We believe that the most valuable contribution donors can make to advance significant change in the world is to extend their practice of philanthropy beyond financial gifts and volunteered time. To achieve the highest possible level of impact with their philanthropic resources—to create real results—catalytic donors cast themselves in a different role. They shift their stance from that of passive grantmaker to that of proactive problem solver. In addition to funding nonprofits and serving on boards, they *act* as catalysts for change by leveraging the power of each of society's sectors—public, private, nonprofit, and individual.

Our second premise is this:

We all inhabit an increasingly complex and globally interdependent world that is changing with unprecedented speed. Although social and environmental problems have been with us throughout human history, today's challenges are of a whole new order.

Today's problems and the solutions they require are no longer confined within a community or a country or even a continent. Witness global climate change, propelled not only by gas-guzzling luxury cars in the United States and factories spewing carbon across Europe but also by the unrelenting construction of coal-fired power plants in China, deforestation in Latin America, and the dung-fueled cooking fires of impoverished families in Africa. The world is, indeed, flat. It's also complex. This applies as much to the social and environmental problems that societies face as it does to the interwoven economic systems that are financially tethering the world together. And it is with this realm of complex systems that donors must deal if they want to make a bigger

difference. Whether across a continent, inside a country, or within a neighborhood, the social and environmental problems people face exist within complicated ecosystems of individual actors and institutions representing government, corporate, and nonprofit sectors. Working through one sector alone, such as by funding only nonprofit organizations, is no longer sufficient to achieve lasting change.

“We must move from seeing the world as simple, or even merely complicated. To understand social innovation, we must see the world in all its complexity,” write the authors of *Getting to Maybe*, a thoughtful book about how social innovation happens. They explain how traditional methods of seeing the world compare its workings to a machine—people say, “things are working like clockwork,” or everything is “shipshape.” Whereas by looking at the natural world, complexity theorists see life as it is: unpredictable, emergent, evolving, and adaptable—not the least bit mechanical.²

Emergent, evolving, and complex societal problems call for equally dynamic and adaptive responses. Today’s challenges and their solutions are not so well defined that they can be wedged into a grant request. Answers are often not known in advance but require innovation and learning among many different actors before progress can be made. Even when a solution is discovered, no single entity has the authority to impose it on others. The stakeholders themselves often must create and put the solution into effect. Donors who want to solve pressing problems must take into account the systemic nature of the issues and acknowledge the complex ecosystem of actors that influence them. And so catalytic philanthropy, at the end of the day, is an act of *adaptive leadership*.³

TODAY’S GOLDEN AGE

Despite these challenges we believe that more donors can—and should—aim to change the world. And perhaps now, more than ever before, they are able to.

The philanthropic funds available today, and the wealth that supplies them, are growing at a staggering rate; the number of billionaires worldwide has more than *tripled* in the last decade, up

to 1,011 in 2010 from 306 ten years prior.⁴ Nearly half of the 75,000 private foundations in the United States alone were created *in the previous decade*, as were a majority of community foundations,⁵ and the rate of growth among both private and community foundations has been even faster in Europe, Asia, and Latin America. Matthew Bishop, a writer for the *Economist*, has called today's era of giving the "second Golden Age" of modern philanthropy (the first golden age of philanthropy in modern times having come a century ago when industrialists such as John D. Rockefeller and Andrew Carnegie were establishing their private foundations in the United States).⁶

This growth in giving volume is being matched by advancements in new philanthropic tools and approaches—starting with the changing role of private enterprise, which is becoming a stronger force for solving societal and environmental problems. Major corporations are taking far more active roles in addressing social and environmental issues, and new types of corporate entities are being created that blend profit making with social purpose. At the same time, foundations are pouring hundreds of millions of dollars into innovative financial investments that deliver social as well as economic impact.

The role of government has shifted as well, creating new opportunities for philanthropists to make common cause with the state. The spread of democracy and vast new private wealth in Asia, Eastern Europe, and Latin America over the last thirty years has opened to donors doors that were once bolted. Meanwhile, in Western Europe the idea of the state as the sole guarantor of social progress has started to soften, a process spurred by the recognition that philanthropy can do things government cannot and also that the needs of a growing aging population cannot be supported by tax-funded programs alone.

The implications of these changing state roles are profound. Philanthropists who want to make a difference in today's socio-politico-economic climate must proactively *leverage* government resources to advance the causes they believe in, rather than keeping their private philanthropic pursuits separate from public affairs.

In the context of these global trends, the dozens of specific examples throughout this book demonstrate our point: donors *can* make lasting and systemic change in today's complex social

sector ecosystem, and they are most successful when they *do more than give*. When donors play this catalytic role, they leverage their philanthropic resources to the highest extent possible. We believe that if philanthropy is going to rise to the complex interdependent challenges the world faces at the beginning of the twenty-first century—if philanthropy is going to solve even a fraction of the problems in the world—then the way it is commonly practiced today must change. More donors must move from traditional giving practices to embrace catalytic philanthropy.

WHAT'S DIFFERENT ABOUT THE CATALYTIC APPROACH?

Donors often see their primary task as deciding which organizations to fund. This follows from the commonly held belief that donors are in the business of giving away money. Many donors subscribe to a linear process that typically begins with a funding proposal, proceeds to a grant or donation, and ends with a final report that describes what the gift accomplished. Even sophisticated funders—those who develop theories of change and map out logic models for how to accomplish results—often seem to approach issues as if their grants will set in motion a predictable series of events that leads directly to the intended result. They act as if their money might buy a ready-made solution from a nonprofit organization. And because most donors receive so many promising appeals from nonprofits year in and year out—each group making a compelling case about how the donor's gift will make all the difference—funders typically repeat this linear process time and again, scattering their gifts across dozens of issues and sometimes hundreds of grantees in response to the myriad requests.

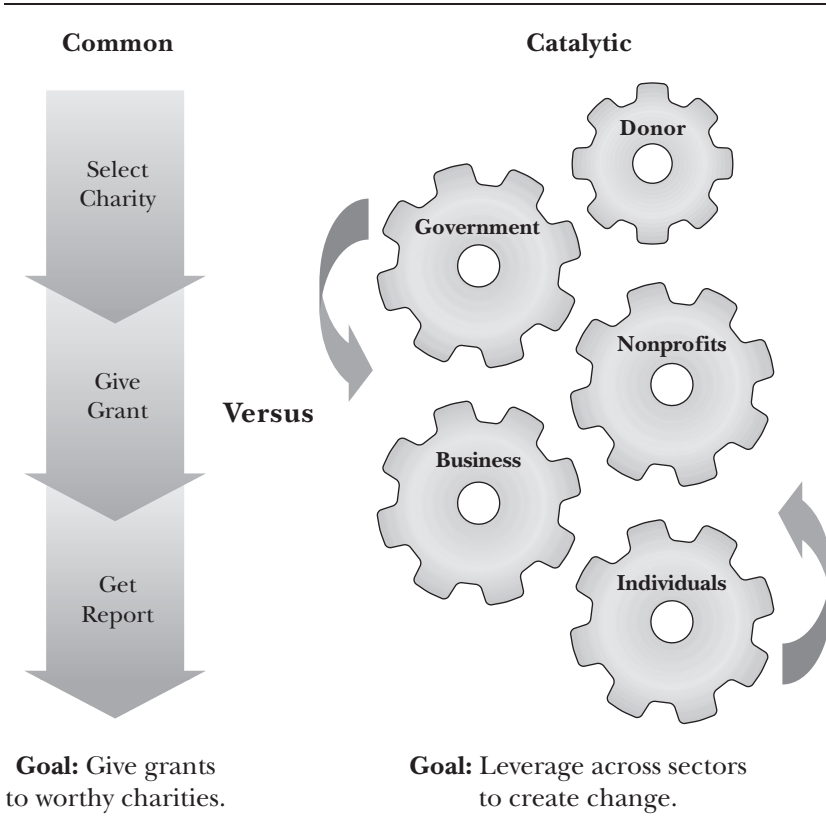
The problem is that most nonprofit organizations today aren't equipped to provide the kind of solutions this complex world requires—no more than any other single actor, such as a business, government agency, or even a dedicated group of volunteers, is able to. “Social change is complex, and causal chains are often murky,” write Paul Brest and Hal Harvey in *Money Well Spent*, an authoritative guide to strategic philanthropy that encourages donors to go beyond grantmaking. “It often takes more than one tool to solve a problem.”⁷ Today's challenges require cross-sector

solutions, and so focusing on nonprofits in isolation from society’s other sectors is often not the most effective means of approach.

Catalytic donors see the world differently from the average donor. Rather than only fund nonprofits to address society’s problems, these donors catalyze change by influencing the behavior of others, working across sectors, and leveraging nonfinancial resources to create systems-level change. To achieve the highest possible level of impact—to create lasting results—catalytic donors shift their stance from that of passive grantmaker to that of proactive problem solver.

Figure 1.1 illustrates the difference between common and catalytic philanthropy. As we have discussed, catalytic funders

FIGURE 1.1. COMMON VERSUS CATALYTIC DONOR MIND-SET.



don't operate according to a linear mind-set that starts with a grant proposal and concludes with a year-end report. Instead, they seek points of leverage in each sector of society—government, business, nonprofit, and individual—and use those levers to achieve greater levels of impact than they could if they simply focused on writing checks. Although we illustrate the concept of systems change here (and in other places in this book) as a series of interlocking gears, we will also draw on metaphors from complexity science and ecosystems research to illustrate the notion that a systems view is required if donors are to achieve significant change. None of these metaphors is perfect—the interaction among society's sectors is not as formulaic as that of interlocking cogs nor as intricately symbiotic as that of the components of a natural ecosystem. But the intention of these frameworks is to help donors see beyond their individual grantees to perceive the larger systems in which nonprofits exist and operate.

Catalytic donors are no different from systems-changing social entrepreneurs—their counterparts on the grantee side of the funding equation. Donors just advance a cause from a place that begins with a concentration of wealth, rather than having to raise resources from scratch. One might call catalytic funders *philanthropreneurs*, the foundation equivalents of social entrepreneurs, who, according to Ashoka founder Bill Drayton, “are not content to merely give a man a fish, or even teach him to fish; these entrepreneurs won't stop until they've revolutionized the entire fishing industry.”⁸ Whatever their moniker, they embrace a proactive, results-oriented, transformative mode of philanthropy. They use leverage to produce an effect that is much greater than the sum of its parts.

This leads catalytic donors to create coalitions and work in authentic collaboration with other foundation leaders and the grantees that they fund—their nonprofit peers. Catalytic donors also work across other sectors, reaching out to business and government and seeking ways to harness market forces and to create policy change so their impact spans issues on a regional, national, or global scale. And to push for policy change and advocate for causes, they engage directly with individuals at neighborhood and community levels, listening to them and mobilizing them in the campaign to advance their cause. They don't treat individuals with

needs just as *recipients of charity*. They see these individuals as *part of the solution*, as people who have meaningful perspectives and, most important, are powerful actors.

In short, catalytic philanthropists *use all of the tools*, working across sectors to create wide-scale system change. As Gwen Ruta, director of corporate alliances for the Environmental Defense Fund, said when she was interviewed for Leslie Crutchfield and Heather McLeod Grant's 2008 book, *Forces for Good*, "We're all about results. It doesn't matter whom we work with if we can get credible results. And we'll use whatever tool it takes to make progress: we will sue people, we will partner with business, we will lobby on . . . [Capitol] Hill or educate the public. Every one of these tools is in our tool kit, and we deploy the one most likely to get us to our goal."⁹ For donors to do this well, they must exercise a unique type of leadership that is highly adaptive, and they must maintain a relentless focus on learning, to gain the knowledge to guide them as they act. These characteristics make up the essence of the six practices of catalytic philanthropy.

THE SIX PRACTICES OF DONORS WHO CHANGE THE WORLD

As you will see in the chapters to come, the catalytic practices in *Do More Than Give* correspond to the six practices of high-impact nonprofits articulated in *Forces for Good*. Our research for *Do More Than Give* began with the premise that the six practices of high-impact nonprofits apply to donors and that they can be applied by these philanthropists to achieve systems-level change. As described in *Forces for Good*, Leslie Crutchfield and Heather McLeod Grant ascertained the original six practices through four years of research on high-impact nonprofits, conducted with the Center for the Advancement of Social Entrepreneurship at Duke University. (Appendix D of this book presents a brief overview of the original six practices for donors who would like to either refresh or begin to acquire their knowledge of these practices.)

While the practices of both high-impact nonprofits and donors who change the world are similar, we discovered in writing *Do More Than Give* that donors and nonprofits apply these practices in different ways. This led us to new insights about how social change

happens and about the evolving and unique role that donors play—discoveries that are summarized here and described in detail in the ensuing chapters.

Catalytic philanthropy begins with a bold initial step: before funders can employ the six practices of donors who change the world, they must first *commit to their cause*.

FIRST, COMMIT TO YOUR CAUSE

The world faces so many urgent needs that funders often find it impossible to choose a specific issue. But we have found that donors who do pick a strategic focus are able to achieve more than donors who scatter their funding and attention across many disparate causes. Once they have made a firm commitment, they can then go on to act in catalytic ways and focus the majority of their efforts (although not always all of their funds) on advancing that cause. They channel their personal time and the time of key trustees, board members, and staff. They bring to bear know-how and subject-matter expertise. They leverage their political, business, social, and familial connections. And although they also may reserve funds to support familial or local community concerns, they carve out a significant portion of resources to catalyze change. Then they use all of the tools—the six practices in this book—to tackle the problem. *This is the essence of strategy*: by getting clear on what they aim to achieve, donors are suddenly able to see what they need to do—as well what they need to *stop* doing.

In Chapter Two, “Commit to Your Cause,” we outline a strategic-thinking process that donors can use to position themselves to leverage change. Then the ensuing six chapters address the practices that define catalytic philanthropy. If you have already chosen an area of strategic focus and are fully committed to advancing one or a few issues, you may wish to skip Chapter Two and dive right into the third chapter: “Practice 1: Advocate for Change.”

PRACTICE 1: ADVOCATE FOR CHANGE

Advocacy is an uncomfortable concept to many donors, and it is restricted in numerous ways by governments around the world.

Traditional notions of charity are linked to giving aid or supporting direct service programs, and the results are appealingly tangible—it's heartening for donors to know that their gift helped feed a hungry family or clean up a polluted stream. *But systemwide change is rarely achieved without a range of advocacy efforts*, including raising awareness and educating the public on the issues, as well as direct lobbying. As you will discover, advocacy is what enabled The Tow Foundation to help alter the ways in which the Connecticut criminal justice system treated juvenile offenders and the New Hampshire Charitable Foundation protected 100,000 acres of conservation land. Donors who eschew these tactics miss an important opportunity to advance their cause.

PRACTICE 2: BLEND PROFIT WITH PURPOSE

Why is a major corporation like General Electric staking its growth on solving medical problems in developing countries in Africa, Asia, and Latin America, or a large private funder like the Shell Foundation investing in entrepreneurs who start profit-making businesses? Until recently, large companies, private foundations, and wealthy individuals typically avoided mixing business with charity, while the recipients of charity saw philanthropy as their only source of potential revenue. But some of the world's leading corporations are finding that they can do more good through their core business activities than through their philanthropy or corporate social responsibility programs. And social entrepreneurs are finding that business models that blend profit with purpose can scale up to address social problems more rapidly and sustainably than traditional nonprofits. Foundations are even finding ways to invest their endowments in enterprises that further their social objectives while yielding market-rate returns. Across both the non-profit and for-profit sectors, catalytic philanthropists are learning to *tap into the power of business* as an engine for advancing the greater good.

PRACTICE 3: FORGE NONPROFIT PEER NETWORKS

In Cincinnati, Ohio, high school graduation rates are increasing. So are fourth-grade math scores, and thousands of children are

entering kindergarten better prepared. But don't ask which new educational program or savvy policy proposal has made the difference. The changes have come from the Strive Partnership, a network made up of hundreds of groups—nonprofits, corporations, foundations, school boards—working together across the entire educational spectrum from cradle to career in order to achieve a collective impact that no single organization could ever deliver alone. Instead of focusing on a few grantees, donors are in a unique position to see needs across entire fields, build alliances, and foster collaboration between nonprofits that would otherwise be locked in a competitive cycle pursuing independent strategies as they vie for scarce resources. It's popular today for funders to say they “partner” with their grantees, and almost every donor participates in some form of information sharing and cooperative behavior. But what these congenial convenings lack is the force of mutual accountability that comes when funders and nonprofits alike hold themselves and each other responsible for larger outcomes they seek to achieve, and funders *give power away* by sublimating their own ideas to the goals of the larger network. Catalytic donors understand the power of collective impact: they see the forest despite the trees.

PRACTICE 4: EMPOWER THE PEOPLE

Imagine if, instead of reviewing dozens of grant requests, you asked 100,000 Oregonians how to fix their own educational system. Or if instead of funding social service agencies in a low-income urban neighborhood in California, you gave neighborhood residents what they really wanted—a nearby major grocery store and bank. Listening to stakeholders turns out to be a powerful vehicle for change—not only because of the ideas that emerge but also because it helps people figure out answers for themselves. Catalytic donors don't treat individual community members just as recipients of charity. Instead, they view individuals as *essential participants* in the process of solving problems for themselves. These donors solicit individuals for ideas and involve them in campaigns to build political will, organizing them on the ground to create change at the block, neighborhood, regional, national, or even global level.

PRACTICE 5: LEAD ADAPTIVELY

How can a community foundation seeking to create greater economic opportunity in its region convince local employers to hire more low-income people and provide them with prospects for advancement? The foundation has no authority over local companies and cannot even make grants to them. Instead it must use the tools of adaptive leadership in order to create and sustain the conditions that motivate other leaders to advance the foundation's agenda. To work effectively across all sectors of society—government, business, nonprofit, and individual—catalytic donors must learn a rare, critical leadership skill: the ability to perceive changes and opportunities in their environments and to orchestrate—subtly but persistently—the activities of key players to advance their causes. The key to success is rooted neither in donor personalities nor in the fact that donors hold the purse strings. Catalytic donors are inordinately influential—not because they hold the formal authority afforded to elected officials or the CEOs of foundations and corporations—but because they are *adaptive* leaders.¹⁰

PRACTICE 6: LEARN IN ORDER TO CHANGE

The Bill & Melinda Gates Foundation carefully evaluated its work to provide housing for homeless families in the Pacific Northwest region of the United States, and every one of its grantees achieved the objectives set for it. The foundation could easily claim its program was a success except that, over the same period of time, family homelessness actually increased. Instead of announcing either success or failure, the foundation staff used the information to better understand the issue, revise its strategy, and adopt a more systemic approach. Catalytic donors like Bill and Melinda Gates are obsessed with measuring and evaluating their own performance as well as the effectiveness of their grantees. This sets them apart from most donors, who rarely bother to invest in evaluations, or even read the year-end reports their grantees submit. But catalytic donors don't conduct *evaluations* in the conventional sense of the term. They are less interested in receiving reports on past progress and more interested in building systems that enable

them and their grantees to learn about what’s working and what needs to be fixed in real time in order to advance a cause. As a result, they build *learning organizations*.¹¹

FROM THEORY TO PRACTICE

To illustrate how these practices apply in action, we draw from examples of more than two dozen catalytic donors. The philanthropists who appear in this book were selected to represent a wide range of giving institutions—from relatively modest family foundations and locally focused community foundations, to some of the world’s largest private and corporate foundations. The cases are intentionally diverse along other dimensions as well, such as geographical location and scope, and the range of issues or causes funded. These donors came to our attention for further study in two ways: either because they were recommended by their peers as leading examples of catalytic philanthropy through a large-scale survey FSG conducted in 2010, or because we knew of their work through our own research and consulting practices. (For a detailed description of our research methodology, including the online peer survey nominations process, please see Appendix A.)

Although every donor profiled here employs some of these best practices, only a handful effectively employ all six. Several are still developing their catalytic approach, as they layer in more practices over time. As a result, this book is not meant to be a set of profiles of the world’s “best” donors. Instead, these cases constitute a diverse sample of funders who effectively exemplify a few or all of our six catalytic practices.

To help you scale up your own learning curve, at the end of this book Appendix E offers a series of checklists that contain next steps organized by two levels of difficulty—beginner and experienced. This way, readers can immediately begin to apply these practices in their own work or heighten their commitment if they’re already using some of them. We also include advice for donors who may not want to dive into these practices right away but simply to augment their current strategy by applying the concepts of catalytic philanthropy to their grantmaking. You don’t need to become a world changer overnight, but we hope that you will take at least a few steps in that direction.

EMBRACING THE FUTURE

When Bill Gates was asked at a World Economic Forum meeting at Davos, Switzerland, whether it was easier to make money or give it away, he paused for a moment, then said “They are surprisingly similar.”¹²

We agree—catalyzing large-scale change *is* every bit as challenging as building a business—and in many ways, harder. One would think it must be so much easier for donors than for the nonprofits they fund. After all, donors have a leg up because they don’t need to raise the money to keep the lights on and the staff paid. But as will become clear in the following chapters, money alone rarely solves any of the major problems society faces. Catalytic philanthropists must do the same hard work as their grantees and apply creative, adaptive skills to advance their causes.

Change is hard—whether at the global level, on one city block, or for one individual. Forces conspire to resist change. Change entails movement, and movement involves friction. Lance Lindblom, president and CEO of the Nathan Cummings Foundation, said it well: “When you try to create any kind of major change, more than 75 percent of the time there is an ‘interest’ with an ‘interest’ in defending [the status quo].”¹³

And yet, as hard as it is, we want to stress that *making change is possible*. In the stories to come, you’ll encounter a wide range of donors—some who give hundreds of thousands of dollars annually and others who donate billions—who all became more catalytic.

The last point we’d like to emphasize is that the practices of catalytic philanthropy are not new. In various forms the six practices explored here have been used by social change leaders for millennia—whether these leaders have resided on the donor or the grantee side of the funding equation. There are prime past examples of major foundations taking a catalytic approach. For one, take the Rockefeller Foundation’s role in the powerful Green Revolution that has fed billions of people who might otherwise have gone hungry. The foundation not only funded research by hiring staff scientists to solve a problem, but then proactively went into the developing world and devised ways to distribute and implement effective programs. Similarly, the Ford Foundation’s

key role as a brave and early funder of the civil rights movement is another prime example, cited by respondents to our peer survey and by thought leaders many times.

Although catalytic philanthropy is not new it is rare, and that is something we want to change. We're calling for a shift in the way donors participate in solving the world's most pressing social and environmental problems. Today's philanthropists have an opportunity to engage in more proactive, highly leveraged forms of philanthropy than at any other time in history—at a time when adaptive, systemic solutions are needed more than ever before. Business as usual is no longer acceptable.

“Although the amount of money given away each year continues to rise, there are lingering doubts about what the billions of dollars backed by good intentions have ultimately produced,” writes Peter Frumkin, author of *Strategic Giving*, a definitive work on the subject.¹⁴ No one should pretend that philanthropy as it is commonly practiced today will change the status quo.

It is in this context that we urge donors to *do more than give*. They should aspire to create real change in the world, utilizing every new tool available in this second modern golden age of giving. And catalytic philanthropy is the best route we know to accomplishing that. Which leads to the central thesis of this book:

We believe that if more donors adopt a catalytic approach, philanthropy can make a greater impact on the challenges facing the world. Every donor—no matter the level of wealth—has opportunities to go beyond straightforward grantmaking, and become a catalyst that effects systemwide change.

Our passionate hope is that catalytic philanthropy will stop being the exception and will grow to become a more common mode in this twenty-first century golden age of giving. The need for catalytic philanthropy has never been higher. And the opportunity for donors to become more active catalysts for change has also never been greater. Now more than ever, donors must *do more than give*.

THE AUTHORS

Leslie R. Crutchfield is an author, speaker, philanthropic and nonprofit advisor, and leading authority on scaling social innovation and high-impact philanthropy. She is a senior advisor with FSG, and coauthor with Heather McLeod Grant of the critically acclaimed book, *Forces for Good: The Six Practices of High-Impact Nonprofits*, recognized by the *Economist* on its best business books of 2007 list. Leslie guides nonprofit and philanthropic organizations in the United States and abroad on how to increase their impact. She has served as managing director and director at Ashoka, and she cofounded and ran a nonprofit social enterprise that published a national magazine for social entrepreneurs and growing nonprofits. Leslie is frequently invited to lecture at domestic and international events and to conduct workshops and private training sessions for nonprofit and philanthropic leaders. She is an active media contributor whose work has been featured in the *Washington Post*, *Fast Company*, the *Chronicle of Philanthropy*, and the *Stanford Social Innovation Review*, and she has appeared on such networks as ABC, NPR (National Public Radio), and PBS. She serves on the boards of the SEED Foundation and Kiva, and she has volunteered with Crossroads Africa. Leslie holds MBA and BA degrees from Harvard University.

John V. Kania is a managing director at FSG and brings twenty-five years' experience in advising senior management on issues of strategy, leadership, organization development, and change management. At FSG, John leads strategic planning and evaluation efforts for foundations, nonprofits, and corporate philanthropy, on issues ranging from international health, U.S. health care, and U.S. education to the environment, community development, and nonprofit capacity building. He has developed numerous

applications of FSG’s strategy and problem-solving tools for the social sector. Prior to joining FSG, John was a partner at both Mercer Management Consulting and Corporate Decisions, Inc. He has been published in the *Stanford Social Innovation Review*, the *Wall Street Journal*, and the *Journal of Business Strategy* and is a featured author of *Learning from the Future*. John speaks frequently on improving the impact of philanthropy and corporate social responsibility. He has an MBA degree from Northwestern University’s Kellogg Graduate School of Management and a BA degree from Dartmouth College.

Mark R. Kramer is cofounder and a managing director at FSG and a Senior Fellow in the Corporate Social Responsibility Initiative at the Mossavar-Rahmani Center for Business in Government at Harvard University’s Kennedy School of Government. Together with Harvard Business School Professor Michael Porter, he cofounded the Center for Effective Philanthropy and served as the center’s initial board chair from 2000 to 2004. Mark has spoken and published extensively on topics in catalytic philanthropy, corporate social responsibility, evaluation, social entrepreneurship, venture philanthropy, and impact investing. He is the coauthor, with Michael Porter, of several influential *Harvard Business Review* articles, and has published extensively in the *Stanford Social Innovation Review* and in the *Chronicle of Philanthropy* and has been quoted by the *Financial Times*, the *Economist*, and NPR. Prior to founding FSG, Mark served for twelve years as president of Kramer Capital Management, a venture capital firm, and before that he was an associate at the law firm of Ropes & Gray in Boston. He received a BA degree from Brandeis University, an MBA degree from The Wharton School, and a JD degree from the University of Pennsylvania Law School.

About FSG. FSG is a nonprofit social impact consulting firm founded by Harvard Business School Professor Michael Porter and Mark Kramer specializing in research, strategy, and evaluation, originally founded in 2000 as Foundation Strategy Group. Today FSG works across sectors in every region of the globe—partnering with foundations, corporations, nonprofits, and governments—to develop more effective solutions to the world’s most challenging

issues. The FSG team is passionate about finding better ways to solve social problems by leveraging the power of philanthropy, government, and private enterprise to build a more effective social sector. With offices in Boston, Geneva, San Francisco, Seattle, and Washington, D.C., FSG has completed more than 400 consulting engagements, published articles in the *Harvard Business Review* and the *Stanford Social Innovation Review*, and produced dozens of research reports designed to advance social sector thinking and practice. Its work has been featured in the *New York Times*, the *Wall Street Journal*, the *Economist*, and the *Financial Times* and on NPR, among other media. Learn more about FSG at www.fsg.org.



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