

Philanthropy often comes as a natural and fulfilling next step for those who have achieved hard-earned success. But even the clearest visions of societal betterment and change can quickly become mired in complicated processes and unexpected outcomes. In the past, well-meaning donors might have been satisfied to simply distribute wealth with little follow-up interest. Today, however, many of those who give would also like to quantify the end results of their philanthropy. An era of interconnected accountability, evaluation, and assessment has emerged in the charitable sphere, as donors have kept their eyes on real results and true returns on investment.



*David Biemesderfer
President and CEO of United Philanthropy Forum*

Few are more keenly aware of shifting philanthropic trends than David Biemesderfer, president and CEO of United Philanthropy Forum, the nation's largest philanthropy umbrella organization. A past president and CEO of the Florida Philanthropic Network, Biemesderfer took the reins of the Washington, DC-based United Philanthropy Forum in 2016. United Philanthropy Forum's

members include more than 60 philanthropy associations and networks across the United States, representing over 7,000 foundations and organizations, and its goal is ‘facilitating effective philanthropy to strengthen communities and improve lives throughout the United States.’



*Rhett Mabry
President of The Duke Endowment*

Another important leader in the philanthropy space, Rhett Mabry was named president of The Duke Endowment last year in the continuation of a 25-year career with the organization. The Duke Endowment, headquartered in Charlotte, was founded in 1924 by North Carolina industrialist James B. Duke of Duke Energy and is currently one of the largest private foundations in the United States, with assets estimated at well over \$3 billion. Focused on childcare, healthcare, higher education, and rural churches, The Duke Endowment annually distributes more than \$100 million in North Carolina and South Carolina, with 80 percent of spending allocated to grants.

Biemesderfer and **Mabry** recently spoke with *Requisite* to offer insights into trends in philanthropy.

This interview has been edited for clarity.



What is the ongoing importance of philanthropy to the social wellbeing of our country?

Biemesderfer

There are things society needs in order to have active, vibrant, healthy communities—things that don't necessarily generate a profit and that government shouldn't or won't do. Philanthropy supports those things that our communities need and that aren't being met by business or by government. One of the beauties of philanthropy is that it can experiment and take risks and try things that government can't do so well. There are many examples of philanthropy proving that some intervention works, and then government resources can be put behind that once the testing is done. Philanthropy has flexibility and can work much more quickly than government to respond to emergencies and other needs that arise within our communities.

Mabry

Philanthropy can be the testing ground for new ideas and new ways to solve problems. If we think about philanthropy on a continuum, and on the left side of the continuum is providing food, basic shelter, clothing, helping the poor, that's the alms-giving charity side. On the right-hand side of that continuum is what I call investment in change and trying to lead us to more effective solutions to solve problems. A large foundation like The Duke Endowment needs to tilt more toward being on the vanguard of change and trying to help our systems move toward more effective operations and more effective solutions. Philanthropy can take some of the risks, can help test out new ideas, can fail and still be okay, as long as we learn from that failure.



What are some of the major changes you have seen in how philanthropy is conducted?

Mabry

When I joined The Duke Endowment a quarter of a century ago, our grantmaking was more responsive. We investigated whatever came across the transom and made recommendations to our board. We took the final report that was submitted by the grantee as the evaluation of the grant. Now, we've become more serious about evaluations and are very data-driven. Evaluations can range from a randomized control trial to comparison studies. We compare the data against some sort of counterfactual—a group that's similar to the treatment group but did not receive the intervention—to see if the intervention that we're funding leads to better outcomes. I love this aspect of how we give our money away, love trying to help people get better outcomes. I like the challenge of figuring out how to give away money responsibly within the guidelines established by Mr. Duke in 1924.

Biemesderfer

It took many years, but now we have recovered from the Great Recession and philanthropy is strong and on the rise. There's definitely a willingness to try different ways of giving and different blendings of for-profit and nonprofit models than there has been in the past. The rise of B Corporations (B Corporations, as defined by the nonprofit B Lab, are 'for-profit companies certified to meet rigorous standards of social and environmental performance, accountability, and transparency') and social enterprise business is a new thing, and there's a lot more interest in making sure philanthropic organizations have the greatest impact they can with their resources. Foundations with endowments are not just using their dollars for their grantmaking, but they are also looking at ways they can invest to help further whatever issues or causes they're trying to address. They're trying all sorts of new ways to have a greater impact with the resources they have.



Can you share some examples of these types of innovations in contemporary philanthropy?

Mabry

In the Carolinas, we've been a funder of a home-visiting program called Nurse Family Partnership. It has four decades of data that show it delivers consistently and achieves positive outcomes relative to child development, school readiness, and long-term reductions in juvenile justice involvement. We've taken the data to North Carolina and South Carolina political leaders, and now we're in a contract in South Carolina where we and others have cobbled together more than \$30 million to fund a program for the next four years, serving 4,000 first-time, low-income mothers with a randomly assigned comparison group. If our treatment group outperforms our control group, the state of South Carolina is committed to investing \$7.5 million back into the program in a 'pay-for-success' contract. It's a way for us to say to government, 'We'll take the risk in funding; it will get you better outcomes and actual cost savings in Medicaid.' We hope those cost savings will persuade the government to put more money into early intervention. In this case, we didn't want to be paid back; we wanted to obligate government into reinvesting back into the program.



Do philanthropic organizations continue to work independently of one another, or is there a greater sense today of interconnectedness and common goals?

Mabry

When the financial collapse of 2008 hit, a lot of foundations began to realize we don't have enough money ourselves to take on all of the issues facing society. We had to figure out how to work together. As a result of that really difficult time, we've become much more willing to, and interested in, collaborating across foundations. Do we ever fund some redundancy? We do. But more and more, we're involved in other conversations where we and other funders try to figure out how we can use our dollars together toward a common end and be more coordinated.

Biemesderfer

Our members definitely want to work together; the trend is in that direction. Partnership in philanthropic collaboration continues to grow. Our members in their regions are working with foundations that now partner together better and collaborate together better, because more and more foundations and people in philanthropy are not seeing the needle move as strongly as they want to see it move for whatever issue it is they're addressing, and they're quickly realizing they can't go it alone. There's just a feeling that we need to be working together better in different ways than we were in the past; that we can't keep doing things the way we've been doing them and expect a different result. Over the past few years, collaboration has really grown in urgency, with more funders saying we really need to not just talk about working together better, but we need to actually do it. It's not easy to give away money in a way that's effective. Philanthropy is hard work.

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What advice do you have for a new foundation or individual looking to enter the philanthropy sphere?

Biemesderfer

The first thing I tell any new foundation is to find out which of our philanthropic organizations are in their area and to connect with them. Don't try to go it alone. Learn who is doing what in your community, which organizations are doing effective work, where the need gaps are, what the effective practices are. There are many examples where a large foundation has picked a community from Florida and doesn't know anything about it and will start giving money away without taking time to learn the community. You may give to an organization that may not be the best one to give to when there are others that are better. Or you may be giving to an organization or giving to a cause where the need isn't as great. Talk to experts and peers and learn from them.