EFFECTIVE PHILANTHROPY IN URBAN COMMUNITIES

FALL 2021  Bidding Only
Course B8543-001
Uris 331  Mondays, 4:00 p.m. – 7:15 p.m.

INSTRUCTOR: Douglas Bauer
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E-mail: dbauer@clarkest.com
Office Hours: By appointment
TEACHING ASSISTANT: Caitlin Gallagher
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READINGS

Excerpts from the following texts will be assigned, and as far as possible available on Canvas as well as in the library:

2. Collins, Good to Great and the Social Sector
4. Giridharadas, Winners Take All: The Elite Charade of Changing the World
5. Hunter, Working Hard and Working Well
6. Morino, Leap of Reason: Managing to Outcomes in an Era of Scarcity
7. Reich, Just Giving: Why Philanthropy is Failing Democracy and How it Can Do Better
8. Russakoff, The Prize

The Marino and Hunter books can be downloaded for free at www.leapofreason.org

In addition, the following articles and case studies will be assigned and will be available on Canvas:

4. Giving 2.0 Learning Notes: Nonprofit Assessment
5. Giving 2.0 Learning Notes: Site Visit Guide
11. “Risk Management for Nonprofits,” MacIntosh, Millenson, Morris, and Roberts
17. “A Covenant for Success”, Michelle Yanche, Good Shepard Services, February 2014

There also may be additional readings/handouts in class or available via Canvas. The additional readings are essential to comprehending the content of the class.

Finally, we urge you to learn about the sector through regular reading online of Philanthropy News Digest, Chronicle of Philanthropy and the Stanford Social Innovation Review. Stay on top of current events, especially in New York City, because they will contribute to the richness of class discussions. We will use them and expect you to be aware of them.

REQUIRED PREREQUISITES AND CONNECTION TO THE CORE

There are no prerequisites for this course. The concepts in this course will use, build on and extend concepts covered in the following core courses:

<table>
<thead>
<tr>
<th>Core Course</th>
<th>Connection with Core</th>
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<tbody>
<tr>
<td>Financial Accounting</td>
<td>1. Understanding the Accounting Equation in Nonprofits</td>
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<td></td>
<td>2. Revenue and Expense Models in the Nonprofit Sector</td>
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<td>3. How to Review Nonprofit Audits and Tax Returns</td>
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<tr>
<td>Strategy Formulation</td>
<td>1. What is Economic Value in Nonprofits and Philanthropy</td>
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<td></td>
<td>2. How is Value Created with Philanthropic Support</td>
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<td></td>
<td>3. The Role of Competition in the Nonprofit Sector and Philanthropy</td>
</tr>
<tr>
<td>Operations Management</td>
<td>1. What is the Nonprofit Operating System</td>
</tr>
<tr>
<td></td>
<td>2. What is the Philanthropy Operating System</td>
</tr>
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<td></td>
<td>3. How does a Nonprofit Manage to Outcomes or Achieve Impact</td>
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Students will be expected to have mastered these concepts and be able to apply them in the course.
COURSE DESCRIPTION

“To give away money is an easy matter in any man’s power. But to decide to whom to give it, and how large and when, and for what purpose and how, is neither in every man’s power nor an easy matter. Hence, it is that such excellence is rare, praiseworthy and noble.”
— Aristotle, 384-322 BC

“What is the use of living, if it be not to strive for noble causes and to make this muddled world a better place for those who will live in it after we are gone?”
— Winston Churchill, 1908

“Will our economic success make us more generous or more self-absorbed? More idealistic about the aspirations of the founding fathers and the work of our forefathers in making American life what we so comfortably inherit? Or will the diminished need to struggle as hard as other generations lessen our imagination about how to address the needs of others and fix what is still broken in our society? Either society is possible. One will build our society; the other will erode and slowly degenerate it over the first few decades of the twenty-first century.”
— Claire Gaudiani, 2003

Philanthropy has become a significant force in recent years, assuming a level of importance within the United States not seen since the early 20th century and burgeoning abroad as well. The current conception of philanthropy now includes not only grants and gifts but also impact investing, social enterprise, advocacy, dissemination, and complex public-private partnerships.

This course is designed to provide students with a rigorous understanding and practical experience in how philanthropy invests in social change in an urban context, including how to:

1. Analyze and identify social challenges and issues you would want to fund with philanthropic dollars;
2. Evaluate strategic options for addressing social challenges;
3. Develop selection criteria for funding;
4. Evaluate funding opportunities through a due diligence process;
5. Allocate funds; and
6. Evaluate results.

OVERVIEW OF THE AWARD PROCESS AND ASSIGNMENTS

The culmination of this course is a set of presentations by student teams in which each team assesses a social problem and, using the six-step process described above, argues for, and invests in, an evidence-based solution to the problem. Critically, the team must also advocate for a specific nonprofit that can ably deliver that solution in New York City. Thanks to the generosity of the Anna-Maria and Stephen Kellen Foundation, one cash grant of $25,000 per team will be available, based on 5 teams per class. Each team will recommend an eligible nonprofit organization (subject to final approval by the instructors and donors). The nonprofit deemed “best in class” by the students will receive additional $25,000 (subject to final approval by the instructors and donors).

At the outset of the course, students will be divided into teams, with about five to six students per team. Each team will be assigned a societal challenge that has significant impact in New York City. Topics may include:
Each team will then need to narrow the assigned topic to a sub-area that allows for meaningful focus, research, analysis and nonprofit selection in the context of New York City. Environment, for example, might be narrowed to urban farming or remediating brown fields. Education might be narrowed to college completion or enhancing curricula through the role of the arts in middle-school.

Teams will then research their topics, developing information and analysis about the scope and scale of the problem, its root cause, strategies to solve the problem, and evidence of effectiveness. This research will also include gathering information about the flow of funds into the specific topic from public, corporate and other philanthropic sources, as well as evidence-based analysis of programs.

This analysis, along with a decision about which strategic solution to seek, will be presented via an in-class presentation by each team, and will account for 40% of the grade.

Based on this strategic approach, teams will next develop criteria for determining which nonprofits would be appropriate grantees, as well as a method for assessing progress and impact. After approval by the instructor, the teams will identify which nonprofits meet these criteria, and select three finalists as potential grantees.

Next, teams will request proposals from the three finalists, and conduct site visits and due diligence, which will include analyzing the nonprofits' financials, programmatic or service capacity and evidence of outcomes or impact. The final document - a rationale for the grant -- and in-class presentation, worth 40% of the grade, will present the team's process and final grant recommendation, supported by analysis, using evaluation criteria.

Active class participation throughout the course and attendance will count for 20% of the grade. Prepare for each class by immersing yourself reviewing in the readings and be ready to provide an open and comfortable atmosphere in which to share comments and participate. For each class, students will also submit to the professor and the teaching assistant via Canvas a brief synopsis (two to three paragraphs) of at least two of the readings. Each student will enter their submission by 5 pm on the day before that particular class.

**METHOD OF EVALUATION**

<table>
<thead>
<tr>
<th>Type</th>
<th>Designation</th>
<th>Discussion of concepts</th>
<th>Preparation of submission</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>group / group</td>
<td>Permitted with designated group*</td>
<td>By the group</td>
<td>Same grade for each member of the group</td>
</tr>
<tr>
<td>B</td>
<td>group / individual</td>
<td>Permitted</td>
<td>Individually</td>
<td>Individual</td>
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<tr>
<td>C</td>
<td>individual / individual</td>
<td>None of any kind</td>
<td>Individually</td>
<td>Individual</td>
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<td>D</td>
<td>(An optional category to be defined in detail by the faculty member)</td>
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| Research paper and in-class presentation (type A) | 40% |
| Final paper and presentation (type A) | 40% |
| Active class participation (type C) | 20% |

**CLASSROOM NORMS AND EXPECTATIONS**

This will be an active three-hour class. The instructor has knowledge and experience to impart, but very much sees himself as a facilitator. Lecturing will be kept to a minimum. In the course of the semester, we will read various books, articles, and documents and discuss them. Be ready to do so. You will meet leaders from the nonprofit and philanthropic community. Be ready to engage them. Over the course of the semester, you will visit projects or programs in New York City. Be ready to observe and analyze.

Again, the class experience is a bridge between theory and practice. The readings we discuss in class and the speakers invited to speak to the class complement each other. We will spend time in each session exploring the readings and interacting with the speakers, so please complete the readings before class for which they’re assigned.

This course is not for the student who wants to receive information passively and then simply present it back in the form of papers. We are looking for students who want to engage with the material and the people in this vibrant sector, through site visits as well as in-class opportunities. Class participation is vital and will count toward your overall grade. Get to know your classmates as the journey in this work is better understood and enjoyed by shared experience. Since the topics discussed in this class often involve values and personal beliefs, we expect everyone to respect diverse viewpoints and experiences.

Students are expected to attend all classes for the full 3.25 hours. Absences, as well as partial attendance of a session, must be justified in advance to the satisfaction of the instructor.

*Use of cell phones or other devices is strictly prohibited and use of laptops and iPads will be permitted ONLY during group work time.*

**COURSE TIMELINE**

**September 9, 2019**

- **Session 1:** Overview of the Third Sector: Nonprofits and Philanthropy
  - Introductions/What You Hope To Get Out of the Class/Course Overview
  - A Short History of the Nonprofit Sector
  - Types of Philanthropy: Private/family; Independent; Corporate
  - Key and Current Trends
Readings:

- Giridharadas, *Winners Take All*, Prologue and Chapter 1
- Sievers, “Tale of Three Cities”

September 16, 2019  
Session 2: Best Practice in Nonprofits: Excellence, Efficiency and Effectiveness

- Current Practice in NPC Management – what works, what doesn’t
- To Scale or Not to Scale: Is small beautiful?
- Social Enterprise/Social Entrepreneurship: An answer to what ails the sector?

*Team Time: Issue areas identified and teams will be assigned.*

Readings:

- Collins, *Good to Great and the Social Sector*
- Heller, “Tribes”
- Miller, “The Looking Glass World of Nonprofit Money”

September 23, 2019  
Session 3: Identifying and Evaluating Successful Nonprofits

- Evaluation Processes and Matrixes
- Assessing Financial Strength (or lack thereof) of Nonprofits
- Financial Performance versus Program Outcomes: A False Choice?
- Case Study: Arbor Brothers, Sammy Politzer and Scott Thomas, Co-Founders

*Team Time: Further define issue area and identify topics to research.*

Readings:

- [www.arborbrothers.org](http://www.arborbrothers.org)
- FEGS June 30, 2014 Audit
- Giving 2.0 Learning Notes: Nonprofit Assessment
- Kohomban and Collins, “The Systemic Starvation of Those Who Do Good”
- Morino, *Leap of Reason*, Introduction and Chapters 1-5
September 30, 2019  Session 4: The Infrastructure of Philanthropy — Part I

- Your Values, Your Worldview
- Defining the Problem: Issue Research and Root-Cause Analysis
- Developing a Strategy/Solution
- Speaker: Alice Eaton ’13, Executive Director, Rudin Family Foundations

*Team Time: Identify and discuss Team Members’ skills and values and how they are to be incorporated into the grantmaking process.*

**Readings:**

- Callahan, *The Givers*, Chapter 10, The New Medicis
- Carnegie, “Gospel of Wealth”
- Reich, *Just Giving*, Chapter 4
- Steinberger, “The Billionaire’s Losses”

October 7, 2019  Session 5: The Infrastructure of Philanthropy — Part II

- Developing a Mission Statement
- Developing Grantmaking Guidelines and Criteria
- Developing Proposals
- Understanding the Grantee/Grantor Dynamic

*Team Time: Share issue area due diligence; affirm the Team’s grantmaking focus; outline presentation and determine assignments for each team member.*

**Readings:**

- Russakoff, *The Prize*

October 14, 2019  Session 6: Frameworks for Grantmaking

- *Class Presentations by teams of their Frameworks for Grantmaking*
October 15-28, 2019
Exam Period/Fall Break – NO CLASS

Team Time: Between 10/15 and 10/24 identify 10 nonprofits for possible consideration. By 10/27, select three to five nonprofits to solicit proposals. By 10/29, contact the three to five nonprofits and have them submit grant proposals by no later than 11/12.

October 28, 2019
Session 7: Forms of Philanthropy

- Types of Grants: Project, General Operating Support, Capital, Endowment
- Impact Investing
- Convening, Advocacy and Communication

Team Time: Develop a timetable to conduct site visits between 11/13 and 12/3. Check-in with instructor on process.

Readings:

- Porter, “Wall St. Money Meets Social Policy at Rikers Island”
- Queenan, Etzel, and Prasad, “Pay What It Takes Philanthropy”

November 11, 2019
Session 8: Philanthropy’s Obsession: Assessing and Achieving Impact

- Outcomes vs. Outputs vs. Impacts
- Models and Tools
- Conducting site visits
- Speaker: Melissa Beck, Executive Director, Educational Foundation of America

Team Time: is off campus and conducting site visits.

Readings:

- www.theefa.org
- Impetus Private Equity Foundation, “Driving Impact”

November 19, 2019
Session 9: Best Practices in Philanthropy

- The Social Compact that Enables Philanthropy
- Government, Business and Philanthropy: Who should be filling the gaps?
- Success Stories and Failures in Philanthropy
Team Time: Proposal deadline on 11/12. Conduct site visits with identified nonprofits. Ensure that at least two team members attend each site visit. Begin to develop evaluation criteria and/or matrix to help guide decision making.

Readings:

- Giridharadas, Winners Take All, Chapter 7 and Epilogue
- Reich, Just Giving, Chapter 5 and Conclusion
- Giving 2.0 Learning Notes: Site Visit Guide

November 25, 2019  
Session 10: Moving the Needle: Achieving Success in Human Services

- Site Visit to The Fortune Society at Castle Gardens, 625 West 140th
- Speakers: JoAnn Page, President and CEO, and Stanley Richards, Executive Vice President

Team Time: Finalize evaluation criteria/matrix for informing grant recommendation process on 12/2.

Readings:

- www.fortunesociety.org
- Kaufmann and Searle, “The Annie E. Casey Foundation: Answering the Hard Question: What Difference are we Making?”
- “Nonprofits say de Blasio Budget Pushes Them Toward Insolvency,” Nahmias, Politico, February 8, 2017

December 2, 2019  
Session 11: Bringing It All Home: Class is devoted to the teams finalizing their work and preparing for their presentations

- Re-review proposals
- Discuss Findings from Site Visits and Any Additional Research
- Determine a Fair Grantmaking Decision Process that is inclusive and Data-Driven
- Outline the Team’s Presentation for 12/9
- Assign Work to Individual Team Members

December 9, 2019  
Session 12: Final Team Presentations

- 20 minutes per team plus 10 minutes per team for class discussion
- Course evaluation
- Closing thoughts from the instructors and class
INSTRUCTOR and TEACHING ASSISTANT BIOS

Doug Bauer is Executive Director of The Clark Foundation. The Foundation focuses on helping individuals out of poverty and then leading independent and productive lives and supports nonprofits and programs in New York City and Cooperstown, NY. Doug manages not only the Clark Foundation but is also Executive Director of the Scriven and Fernleigh Foundations and Senior Vice President with the Clark Estates, Inc. Together, the three foundations have assets over $750 million and provides over $37 million in grants, scholarships and programs annually. Prior to Clark, Doug was a Senior Vice President with Rockefeller Philanthropy Advisors (RPA) from 2002 to 2009 and led the organization’s Strategic Initiatives Team. Prior to joining RPA, he was a Vice President at Goldman Sachs and President of the Goldman Sachs Philanthropy Fund, the firm’s charitable gift fund. From 1997 to 2000, Doug was Director of Community Partnership at SmithKline Beecham (now GlaxoSmithKline) and Executive Director of the SmithKline Beecham Foundation, where he focused on community-based health care around the world. From 1992 to 1996, Doug was a Program Officer for Culture at The Pew Charitable Trusts. And from 1988 to 1992, he managed the Scott Paper Company Foundation.


Caitlin Gallagher is a second-year MBA student. Before CBS, Caitlin taught middle school math with Teach For America in Hartford, CT, and she worked for a start-up nonprofit called the Connecticut RISE Network, which was founded by the Dalio Foundation. In her two roles as Program Coordinator and Innovation & Learning Facilitator with RISE, Caitlin coached teachers in 5 public high schools across Connecticut to build new data skills with RISE dashboards, create academic and behavioral interventions for individual students, and adopt evidence-based strategies for increasing college and career readiness in the partner schools. At CBS, Caitlin is concentrating in management and leadership. Caitlin is the Co-President of the Student Government, and a member of the Hermes Society, Social Enterprise Club, Pangea International Advisors, and Nonprofit Board Leadership Program. During summer, Caitlin interned on the Advisory team at Rockefeller Philanthropy Advisors, and currently, she has a year-long graduate fellowship on the Organizational Learning & Improvement team at New Visions for Public Schools. Caitlin graduated from Georgetown University with a major in American Studies and minor in Education, Social Justice, and Inquiry.