

Laura Arrillaga-Andreessen
Lecturer in Business Strategy
Fall 2018

Stanford University
Graduate School of Business
Tuesday/Thursday: 1:30pm–2:50pm

GSBGEN 381/EDUC 377C
Philanthropy: Strategy, Innovation and Social Change
COURSE SYLLABUS
3 Units

“We need to transform the way we are giving
in order to help solve our world’s problems
...and we need to start today.”
– *Laura Arrillaga-Andreessen, Giving 2.0*

“Don't underestimate the power of your vision to change the world. Whether that world is your office, your community, an industry or a global movement, you need to have a core belief that what you contribute can fundamentally change the paradigm or way of thinking about problems.”
– *Leroy Hood*

“When you learn, teach.
When you get, give.”
– *Maya Angelou*

Instructor:
Laura Arrillaga-Andreessen

There is a reading assignment for the first class meeting. Please read through the entire syllabus and complete the assigned readings for Session 1 by Tuesday, September 25th.

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1. COURSE PERSPECTIVE

We live in a world in which society's most wicked problems transcend geographic boundaries, creating far-reaching social repercussions from which none of us is completely immune. The increasing fractures and breakdown of essential systems, such as education, healthcare, environmental protection and human services, require cross-sector solutions entailing innovative approaches, evidence-based service provision and sweeping policy change. And the pursuit of values including equality, access and opportunity mandate the highest level of philanthropic strategy, implementation and engagement. Philanthropy's allocation of \$410 billion in 2017¹, while massive at first glance, represents only a fraction of the resources required to create measurable change within any one social ecosystem or issue area. How we invest every dollar and hour, therefore, matters more than can be quantified and requires exceptional research, empathy and acumen. Philanthropy—in whatever form or size it takes—is a moral imperative and privilege as well as one of life's greatest opportunities and joys. Philanthropy expresses our beliefs, interests and passions and drives the spectacular pluralism that helps make our country beautiful.

You have extraordinary potential to create social change, and *Philanthropy: Strategy, Innovation and Social Change* will empower you with the skills, strategy, experience and inspiration to actualize that potential and engage in high-impact, strategic philanthropy. Regardless of your profession, industry, background, age, resource form or amount, this course will amplify your ability to make your giving, service and leadership matter more.

Philanthropy requires the same tools as business—a market-based approach, design thinking and innovation—to create measurable social change. Individual philanthropists and foundation professionals must embrace best practices, from analyzing the market and creating a strategy and implementation plan, to engaging in thorough due diligence, evaluating what works and what does not, developing indicators for success and iterating on products and processes. We must also shatter our knowledge silos and share what we learn at every step of our social change processes. Given that individual philanthropy is a dominant force—almost 80% of US philanthropic investments—we must approach our philanthropic investing with even greater seriousness than we do our for-profit investing. Would you ever invest in a startup, stock, fund or bond without understanding its potential ROI? So why wouldn't you do the same level of analysis and assessment when transforming lives, as opposed to increasing profits, is at stake?

We live in a world where increasingly complex, iniquitous and pressing social needs demand urgent and intentional action from all sectors. This course will reignite and give you a formal space to define/refine your social passions and purpose—regardless of what industry or sector you choose to work in. It will equip you with the knowledge, network and practical application to pursue philanthropy as a career and/or to translate your financial, human, network and intellectual capital into measurable and transformational change.

¹ GivingUSA, "Giving USA 2018: The Annual Report on Philanthropy for the Year 2017," *Giving USA Foundation*, July 2018.

2. COURSE OBJECTIVES

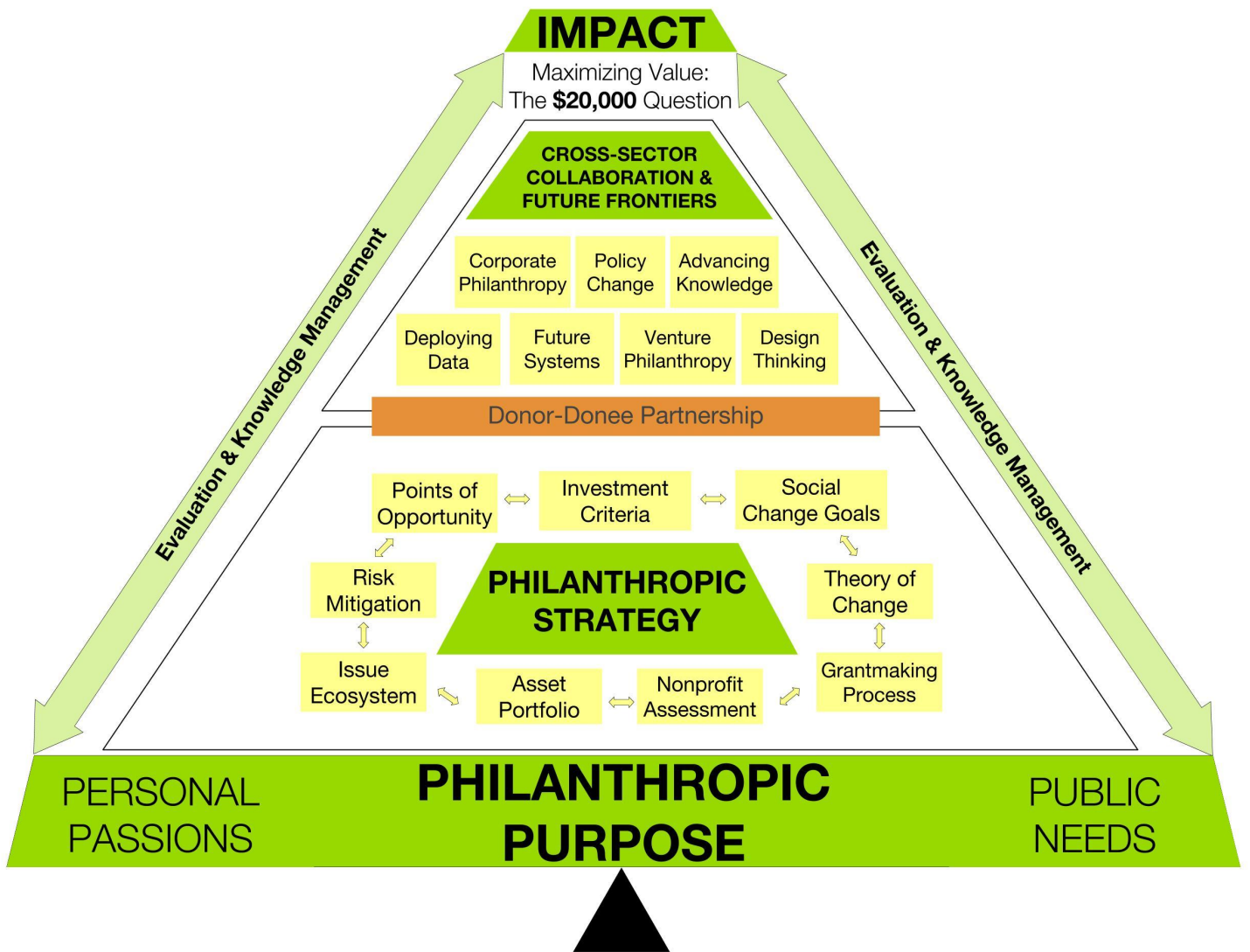
- **PURPOSE:** Students will define/refine their philanthropic purpose and create a personal theory of change for translating their asset portfolio into measurable social value. *Assets may include intellectual, human, network, political, financial or other capital.*
- **LANDSCAPE & LEADERSHIP:** Students will be exposed to new, diverse perspectives of the current philanthropic landscape, trends and emerging models, and the critical issues therein. *Students will have direct access to globally renowned philanthropists, foundation CEOs/grantmakers, corporate leaders, investors and entrepreneurs.*
- **STRATEGY:** Students will delve deep into philanthropic strategy creation, implementation and evaluation. *Skill development and application will include outlining asset portfolios, mapping ecosystems, mitigating risk, identifying points of opportunity, creating investment criteria, determining social change goals, creating strategy and theory of change/logic models and evaluating progress and outcomes.*
- **PRACTICUM:** Students will apply course learnings and skills in a \$20,000 grantmaking process entailing nonprofit assessment, grant proposal creation and review and actual funding allocations. *Students will use the “The Giving Code: Silicon Valley Nonprofits and Philanthropy” report, Raj Chetty’s “Reviving the American Dream” and the “SV2 Nonprofit Assessment Rubric” as frameworks for this grantmaking process.*

3. COURSE THEMES

- **Innovation:** Continuously seek, adopt and create new strategies, tools and tactics to create measurable social change; renew, iterate and improve organizations and programs that already exist; apply new thinking to existing problems, processes and systems; and inspire and influence new behaviors that can maximize philanthropic impact.
- **Market-Based Approach:** Uncover unmet needs and fill the gaps in both the philanthropic ecosystem and social capital market to increase the effectiveness, efficiency and impact of both philanthropic organizations and their nonprofit partners.
- **Design-Thinking Strategies:** Place nonprofit and beneficiary needs and their unique contexts at the center of philanthropic investments—a human-centered approach—and create rapid feedback loops that test, improve and iterate on philanthropic practice.
- **Evaluation:** Integrate evaluation and feedback into every funding process to improve nonprofit/philanthropic program effectiveness, measure outputs, outcomes and impact.
- **Knowledge Management:** Create, aggregate and disseminate research and experiential capital to build the knowledge, efficiency and effectiveness of the philanthropic sector.

4. VALUE PROPOSITION

Below please find a visual map of our course content. Each component informs and influences the surrounding elements. As we progress throughout the quarter, your knowledge will expand and deepen as we work from the bottom to the top of this course arc, from personal passion, philanthropic leadership and public needs up to strategy, cross-sector collaboration and sustainable impact. Each session will begin with re-grounding in our current position, thus illuminating how each course topic relates to and impacts the other components of strategic philanthropy.



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6. GRADES

- The course grade is comprised of the following three components:
 - Class Participation – 30%
 - Philanthropic Theory of Change – 35%
 - Nonprofit Assessment – 35%
- **GSB students must enroll in GSBGEN 381.** All other students should enroll in EDUC 377C. Course grades are curved within the school with which you are enrolled (i.e. GSB students will be graded only against other GSB students and University students will be graded only against other University students).
- **Penalty for late assignment submission.** There will be penalties for late work. For late submissions, assignment grades will be decreased by 10% if late by 1-24 hours, 20% for 24-48 hours, etc. If confronted with a serious personal situation, students should notify a course assistant immediately to create a reasonable, alternative plan.
- **Grading is anonymous.** To best respect the sensitivity and confidentiality of the topics discussed in assignments and to prevent any conscious or unconscious bias in the grading process, all assignments and weekly feedback surveys are graded/reviewed anonymously. Students will submit assignments and weekly feedback surveys with their student ID number only (and *not* their name).

7. CLASS PARTICIPATION

- **Attendance is mandatory.** Students must attend all classes. Students are required to arrive on time and stay until class is dismissed. Missing a class without written explanation/approval will adversely affect students' class participation grades; final participation grades will be reduced by 10% per session missed without such prior approval. Students that miss three or more sessions will not pass the class, resulting in a "U" grade. An unexcused absence may be mitigated by sending a member of the teaching team a 5-page paper (single-spaced, 12-point and Times New Roman font) on a subject of the instructor's choosing related to the session they missed. Papers will be due within one week of the missed session. Contact a member of the teaching team for further directions.
- **Assignment for a missed class is required.** Students can miss a maximum of two classes if they provide the teaching team with a written explanation and receive approval at least 24 hours in advance, and send the TA a one-page summary (single-spaced, 12-point and Times New Roman font) on the assigned readings, due at the beginning of class one week after the absence. Students must let a course assistant know in advance if they will need to miss class for any reason. There will be no penalty on the student's final participation grade if they follow those steps. Exceptions can be made for emergencies.
- **Weekly feedback surveys are mandatory.** At the end of class on Thursdays, a weekly feedback survey will be posted under "Assignments" on Canvas. Students will be required to fill out the 5-minute survey by the next day (Friday) at 5pm. The feedback surveys account for 10% of the final class participation grade (or 3% of a student's final course grade).
- **Course Assistant office hours are required.** Every student is required to attend one 15-minute meeting with a member of the teaching team before the end of the term. This will account for 10% of the final class participation grade (or 3% of a student's final course grade). Signups for office hours are posted on Canvas under "Assignments."

- **Complete all required readings.** Every student will be expected to complete all required readings, as well as thoroughly prepare answers to the “In-Class Discussion Questions,” listed in the syllabus, in preparation for lecture.
- **Prepare for guest speakers.** Several sessions will include a presentation from at least one guest speaker. Every student must review the biography for each guest speaker and prepare at least two thoughtful questions related to the class topic.
- **Bring name card to every class.** Every student will be required to have a name card with their name and gender pronouns (e.g., she/her/hers).
- **Participation grades will be based both on quality and consistency.** Asking uninformed questions of the instructor or the speakers or giving under-researched or redundant answers will not be counted positively towards your participation grade.

8. CLASS COMMUNITY AND NETWORKING

An essential aspect of leadership is building a strong community and sphere of influence. Throughout the quarter, the instructor will host meals with every interested student in her home, as an opportunity to build community and discuss core class topics. In addition, the instructor will fiscally sponsor student-led lunches and dinners (\$100 per meal for five students total) as an additional opportunity for students to connect, build purpose-driven networks and reflect on leadership challenges and issues outside of class. The instructor will also host on-campus events with leaders committed to intentional inclusivity and female empowerment.

9. ASSIGNMENTS

Assignment 1: Philanthropic Theory of Change

Objective: Formulate and articulate your philanthropic strategy for creating social change over the next decade.

Due Date: **Submit your assignment on Canvas on October 23rd by 1:30pm.**

Requirements: Please see Canvas for assignment specifics and the grading rubric. The assignment should not exceed 7 pages total (single-spaced, 12-point, Times New Roman font), including a cover page (page 1). Pages 2-5 will articulate your philanthropic purpose, asset portfolio, ecosystem map summary, risk analysis, points of opportunity, social change goals and theory of change. The last 2 pages will present an ecosystem map of the social issue that your philanthropic purpose targets and a logic model that visually represents your theory of change.

Office hours: If you have any questions about the assignment or would like feedback prior to or following submission, please email them to the teaching team at gsbgen381@gmail.com and/or attend scheduled office hours, posted on Canvas.

Assignment 2: Nonprofit Assessment

Objective: You will complete a detailed organizational assessment of a local (headquartered in one of the following five Bay Area counties: Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara) nonprofit organization of your choice and nominate the nonprofit for the class’s grantmaking practicum.

Process: The five highest-grade papers will be finalists and will be debated during Session 19. Students will select the two grant recipients (\$10,000 each) in Session 20.

Due Dates:

- **Submit your assignment on Canvas on November 13th by 1:30pm.**

- **Students will receive two assignments via Canvas to peer review on November 13th.**
- **Submit two peer assessments via Canvas on November 20th by 11:59pm.**
- **Finalists will be announced on November 29th.**

Requirements: Please see Canvas for assignment specifics and the grading rubric.

****PLEASE NOTE:**

- For a comprehensive Nonprofit Assessment, you will most likely need to speak with a representative from your selected organization. **Please plan ahead accordingly** and be highly respectful of the nonprofit's time and work (conversations should be 30 minutes maximum).
- The following two items are **REQUIRED reading/viewing** for your Nonprofit Assessment Assignment. These items are *not* listed in the required reading for any of the lectures, however they are required for successful completion of this assignment. Please read/view them *prior* to beginning your assignment, as your assignment content will be graded on your application of the values, principles and investment criteria presented therein.
 - Cortés Culwell and McLeod Grant, "The Giving Code: Silicon Valley Nonprofits and Philanthropy," *Open Impact LLC*, 2016.
 - Chetty, "Stanford Micro Lecture: Reviving the American Dream," *Stanford University*, 2017.

Office hours: If you have any questions about the assignment or would like feedback prior to or after its submission, please email them to the teaching team at gsbgen381@gmail.com and/or attend scheduled office hours, posted on Canvas.

9. GENERAL EXPECTATIONS

- **Class conduct is critical. Food, phones and computers² are not permitted in class** (See "Students with Documented Disabilities" section if you need a waiver).
- **Instructor and course assistant office hours are by appointment only.** Please contact the course assistants at gsbgen381@gmail.com to schedule office hours with either the instructor or the teaching team. There will be additional, open office hours in the two weeks before both of the assignments are due. Please check Canvas for more information.
- **Reference the Canvas site.** The most recent version of the syllabus can be found on Canvas, along with all course readings, handouts, learning notes, slides and assignments.
- **Honor Code must be maintained.**

10. STUDENTS WITH DOCUMENTED DISABILITIES

Students with disabilities (e.g., medically documented physical, psychological, or learning disabilities) who require disability-related accommodations and/or services under the Americans with Disabilities Act and Section 504 of the Rehabilitation Act should not seek to arrange such accommodations with their instructors. Instead, students must contact the Office of Accessible Education (OAE) and Student Life. The OAE is located at 563 Salvatierra Walk (phone: (650) 723-1066, URL: <http://studentaffairs.stanford.edu/oae>). Every effort should be made by the

² Notes taken by hand rather than computer increase critical thinking and retention of material—Pam A. Mueller and Daniel M. Oppenheimer, "The Pen is Mightier than the Keyboard: Advantages of Longhand over Laptop Note Taking," *Psychological Science*, May 22, 2014.

student to engage the OAE as early as possible, and in most cases, in advance of the quarter, so that disability-related accommodation requests can be assessed, approved and implemented in a timely and appropriate manner. Each student bears the responsibility of initiating a disability-related request for accommodations and/or services with the OAE prior to the time such an accommodation is needed. For further questions about this process or support with the implementation of accommodations, contact the Student Life Office or the OAE.

11. COURSE SCHEDULE

MODULE I Good Intentions to Great Impact

Session 1: Tuesday, September 25

Philanthropy: Passion into Action

The core principles that drive business—a market-based approach, design thinking, strategy and ongoing innovation—drive the most effective philanthropy as well. Unlike business, however, in philanthropy we have no market forcing functions, little public accountability or comparable/easily determined metrics for success—our accountability is almost entirely self-imposed. Philanthropy entails private passions and resources acting to create public good and value. Our ability to express our social change purposes through generosity illuminates the spectacular pluralism that makes philanthropy inclusive, transformational and powerful at its best.

Required Reading – Canvas:

- Course Syllabus.
- Biography of Laura Arrillaga-Andreessen.
- Council on Foundations, “Glossary of Philanthropy Terms,” 2018.
- Camber Collective, “Money for Good 2015: Revealing the Voice of the American Donor” (executive summary and select pages from the report), 2018.

Required Reading – Accessible Online:

- Laura Arrillaga-Andreessen Foundation (LAAF) website: www.laaf.org

In-Class Discussion Questions:

- What are your philanthropic passions?
- What business principles are essential to effective philanthropy?
- What is the difference between generosity and creating measurable, social value?

Session 2: Thursday, September 27

Your Philanthropic Purpose—Maximizing the Social Value You Create

Philanthropic and charitable investments, while driven by personal passion, interests and values entail rigor, analysis and critical thinking comparable to that of our for-profit investments. Transforming our giving from reactive to proactive, sympathetic to strategic and isolated to collaborative requires self-imposed accountability, long-term commitment and prioritizing purpose over ego at every step. Mapping and understanding our philanthropic motivations,

beliefs, values and finding their intersection with unmet public needs, social problems and inequalities provide a critical foundation for any journey to create measurable social change.

Required Reading – Canvas:

- Arrillaga-Andreessen, “Letter to Students,” 2018.
- Arrillaga-Andreessen, “Chapter 1: Giving Yourself—A Donation More Valuable Than Money,” *Giving 2.0: Transform Your Giving and Our World*, Jossey-Bass, 2011.
- Arrillaga-Andreessen, “Legacy Leadership” Learning Note, *laaf.org*, 2018.
- “Key 2017 Giving Statistics and Trends” Learning Note, *laaf.org*, 2018.
- Arrillaga-Andreessen, “Philanthropic Vehicles” Learning Note, *laaf.org*. 2018.

In-Class Discussion Questions:

- What inspires your generosity?
- What are you most passionate about, philanthropically?
- What unmet public needs/problems exist that overlap with your passions?
- How can you identify these needs as unique points of opportunity?
- Do you have a specific social change purpose that you feel called to pursue?

MODULE II

Philanthropic Strategy: Formulation, Implementation & Assessment

Session 3: Tuesday, October 2

Asset Portfolio, Ecosystem Analysis, Risk Mitigation & Points of Opportunity

Philanthropic purpose informs which specific assets we have to deploy in order to create social value. But prior to investing any assets, we must understand the complex context of each social issue/problem/need that we, as philanthropists and social changemakers, must effectively navigate. Mapping and assessing the organizations, individuals, policies and socio-economic environment of the problems and systems we aspire to improve helps us not only mitigate risk but also identify points of opportunity where our unique asset portfolio can fill unmet social market needs.

Required Reading – Canvas:

- Bloom and Dees, "Cultivate Your Ecosystem," *Stanford Social Innovation Review*, Winter 2008.
- Arrillaga-Andreessen, “Philanthropic Risk” Learning Note, *laaf.org*. 2018. **(To be posted on Canvas after class).**
- Scutti, “How Does Nutrition Affect School Performance?,” *CNN*, March 21, 2017.
- Brody, “Feeding Young Minds: The Importance of School Lunches,” *New York Times*, June 5, 2017.

In-Class Discussion Questions:

- Who are the players and what are the conditions that foundations, nonprofits and social entrepreneurs must consider when mapping the landscape of any social issue (i.e. its social ecosystem)?
- What information does a social ecosystem analysis provide a grantmaker? Why is this

information a critical component of high-impact grantmaking? Have you experienced philanthropic challenges or failures because you did not understand the broader context of an issue area? How could the outcome have been improved by your seeking more knowledge about the external conditions surrounding your grant?

Session 4: Thursday, October 4

Philanthropic Strategy

Guest: Darren Walker, CEO of the Ford Foundation

Foundations and individuals can deploy a portfolio of assets to provide social value beyond dollars and utilize the platform that their resources provide to advance not only organizations and society, but also the capacity of others to create greater impact. When tackling society's most complex problems, like inequality, human rights and access, philanthropic actors must not only have a multi-pronged approach but also be responsive and adaptive to ever-changing political, economic and cultural forces.

Required Reading – Canvas:

- Biography of Darren Walker.
- MacFarquhar, "What Money Can Buy" (pp. 3 - 8), *The New Yorker*, January 4, 2016.
- Porter and Kramer, "Philanthropy's New Agenda: Creating Value," *Harvard Business Review*, November - December 1999.
- Walker, "Why Giving Back Isn't Enough," *NYTimes*, December 17, 2015.

Required Reading – Accessible Online:

- Ford Foundation website: www.fordfoundation.org

In-Class Discussion Questions:

- What role does philanthropy play in society?
- What are the specific ways that institutional philanthropies can create social value that makes them unique as organizations (as compared to business, government, nonprofits, etc.)?
- What role and responsibility, if any, should foundations have in reducing inequality?

Session 5: Tuesday, October 9

Social Change Goals, Theories of Change & Logic Models

Any strategy must be built upon an empirically sound hypothesis or idea about how a set of resources and/or actions can create social impact. Importantly, every investment should have pre-determined indicators of both progress and success, thus providing a roadmap to understand if progress is being made and our ultimate outcomes and impact are achieved. Understanding how both internal and external forces might influence successful strategy implementation gives philanthropic actors the capacity to mitigate risk and pivot when needed.

In-Class Assignment – Canvas:

- Come to class prepared to share one of your social change goals. Please refer to the "Social Change Goals" Learning Note on Canvas for directions on how to create a coherent social change goal.

Required Reading – Canvas:

- Brest, “The Power of Theories of Change,” *SSIR*, Spring 2010.
- Arrillaga-Andreessen, “Investment Criteria” Learning Note, *laaf.org*, 2018.
- Arrillaga-Andreessen, “Social Change Goals” Learning Note, *laaf.org*, 2018.

In-Class Discussion Questions:

- Based on your personal philanthropic purpose, what is one of your social change goals? *Please be prepared to share in class.*
- What are your philanthropic investment criteria?
- What are the key elements of a theory of change and its corresponding logic model? Why are each important and how do they interact?
- What are the benefits of using a theory of change in grantmaking? What are the challenges?
- How have you seen organizations use, or fail to use, a theory of change in their work? What are some specific examples?

Session 6: Thursday, October 11

Philanthropic Innovation—Social Impact Bonds, Impact Investing & Cross-sector Partnerships

Guest: Dr. Judith Rodin, former President of the Rockefeller Foundation

Philanthropy is powerfully positioned to drive innovation: the creation of the new; the renewal of what already exists; new thinking around existing processes, problems, systems; and inspiring new behavior and action. As philanthropy is seen as society’s risk capital, it is uniquely positioned to invest in new generations of social change vehicles, infrastructure and channels. Philanthropy, therefore, can play a powerful role in creating the future of social innovation, if its leadership embraces risk, actualizes visionary ideas and integrates cross-sector resources, expertise and collaboration into philanthropic strategy.

Required Reading – Canvas:

- Biography of Dr. Judith Rodin.
- Arrillaga-Andreessen, “Rockefeller Foundation,” *Stanford Graduate School of Business*, February 16, 2017.
- Rangan and Chase, “The Payoff of Pay-for-Success,” *SSIR*, Fall 2015.
- Rodin, “Letter to Friends and Colleagues,” *Rockefeller Foundation*, June 15, 2016.
- Rodin and MacPherson, “Shared Outcomes,” *SSIR*, Summer 2012.

Required Reading – Accessible Online:

- Rockefeller Foundation website: www.rockefellerfoundation.org

Questions to Consider:

- Who are the public and private stakeholders to whom foundations should be held accountable and why? Please consider for each specific stakeholder.

Session 7: Tuesday, October 16

Nonprofit Financial Assessment

Guest: Alexa Cortés Culwell, Founder and CEO of Open Impact

Just as a venture capitalist would never invest in a company without analyzing its financial

statements, market opportunities and projections, an effective philanthropist would never invest in a nonprofit without a comprehensive financial assessment. Whether we are investing as individual philanthropists or foundation professionals, the onus is on us to ensure that we are maximizing the value of each dollar we invest. Financial assessment entails research, formal analysis and informal investigation. The level of rigor we apply will be relative to each investment and the depth of our analysis will depend on multiple factors, including the scope of our potential investment, the scope of our social change goals and the complexity of the issue area ecosystem.

Assignment – Canvas:

- In the next session, you will assess and evaluate actual SV2 grant proposals. After today's class, an assignment will be posted on Canvas that will include the SV2 grant proposals, your small group assignment, the assessment rubric and all relevant SV2 materials. Please see Canvas for more details, and review your assigned grant proposals and all materials before the next class (Session 8). Please note that the **SV2 grant proposals are confidential** and should not be shared.

Required Reading – Canvas:

- Biography of Alexa Cortés Culwell.
- Guidestar, "Highlights of IRS Form 990," 2018.
- Miers, "Assessing an Organization's Financial Health: A Step-by-Step Guide to Decode the Numbers," *Skoll Foundation*, March 19, 2018.
- Arrillaga-Andreessen, "The Grantmaking Process" Learning Note, *laaf.org*, 2018.
- Arrillaga-Andreessen, "Nonprofit Assessment Note" Learning Note, *laaf.org*, 2018.

Optional Reading – Canvas:

- Propel Nonprofits, "Balance Sheet Cheat Sheet," 2018.
- Propel Nonprofits, "990 Decoder Sheet," 2018.
- Colby and Rubin, "Costs Are Cool: The Strategic Value of Economic Clarity," *The Bridgespan Group*, December 1, 2003.
- Overholser, "Nonprofit Growth Capital: Building is not Buying," *Nonprofit Finance Fund*, 2006.
- The Bridgespan Group, "Ten Nonprofit Funding Models," *SSIR*, October 6, 2009.
- Bell, "Do You Have 'Right Revenue?'," *Compass Points of View*, 2010.

In-Class Discussion Questions:

- What role does financial assessment play in the due diligence process, and how can you incorporate financial assessment in your giving strategy?
- What materials are necessary to assess the financial health of an organization?
- What assessment/diligence is required to make an informed philanthropic decision?
- What assessment/diligence is best practice to achieve your unique social change goals?

Session 8: Thursday, October 18

Assessing Nonprofits & Evaluating Grant Proposals

Grantmaking involves complex decision-making, including how we establish a focus, solicit organizations and select and determine the types of grants we make. This process is

strategy-driven, as well as driven by our target ‘customers’ and the people they serve. Making giving decisions based on emotion, while evanescently rewarding, does not translate even our best intentions into great impact. When individual lives and our shared society is at stake, it is our responsibility to make sure that every philanthropic investment we make has the highest potential impact for our particular strategy. Research, comparison and analysis are imperative to maximizing philanthropic value.

Deadlines:

- Reminder: Philanthropic Theory of Change Assignment is due on **October 23rd** by **1:30pm** on Canvas.

In-Class Assignment– Canvas:

- Today you will assess and evaluate actual SV2 grant proposals. Please review the assignment posted on Canvas that includes your assigned grant proposal, assessment rubric, SV2 grant round information and other relevant materials. Please see Canvas for more details, and review your assigned grant proposals and all materials before class. Please note that the **SV2 grant proposals are confidential** and should not be shared.

Required Reading – Canvas:

- Arrillaga-Andreessen, “GuideStar: Data as a Tool for Nonprofit Transformation” (pp. 3-8), *Stanford Graduate School of Business*, June 15, 2016.
- Assigned SV2 Grant Proposals and Materials (under “Assignments” on Canvas).

In-Class Discussion Questions:

- What are the important elements of a nonprofit’s operations, financial history/practices, programs and impact assessment to analyze when deciding to make a gift?
- Why are nonprofit strategy and theory of change analysis critical aspects of the philanthropic decision-making process?
- How can you make informed philanthropic decisions with limited information and time?

Session 9: Tuesday, October 23

Evaluating Progress & Outcomes

Guest: Melinda Tuan, Managing Director at the Fund for Shared Insight

As philanthropists, we must incorporate evaluation at every step of our work to understand whether we are succeeding in our philanthropic mission. Successful foundations and philanthropists practice methodical evaluation of their grantees, in order to share knowledge with the entire field and inform their own theories of change, as well as help nonprofits better understand how their programs/services create impact and can improve. Providing evaluation funding and collaborating on design enables funders and nonprofits to operate more effectively and efficiently, and potentially provide inflection points in their respective work.

Deadlines:

- **Assignment Due:** Philanthropic Theory of Change Assignment is due **before class (1:30pm)** on Canvas.

Required Reading – Canvas:

- Biography of Melinda Tuan.

- Arrillaga-Andreessen, “Program-based Evaluation” Learning Note, *laaf.org*, 2018.
- Arrillaga-Andreessen, “Annie E. Casey Foundation” Learning Note, *laaf.org*, 2018.
- Tuan and Twersky, “Tackling Vision Care Disparities,” *SSIR*, December 3, 2010.

In-Class Discussion Questions:

- How can donors best listen to and act upon feedback from both nonprofit partners and the individuals they serve?
- Why is evaluation a critical element for foundations to consider as they develop their strategy and grantmaking practice?
- What are the pros and cons of different types of evaluation methods? To what issues, causes and programs might you apply each method?

Session 10: Thursday, October 25

Donor-Donee Partnerships

Guests: Crystal Hayling, President of the Libra Foundation and Ashley Clark, Knowledge and Grants Manager at the Libra Foundation

Regardless of how we view ourselves as funders, a significant power imbalance exists between nonprofits and philanthropists. We must remember that nonprofits are our partners—they literally translate our resources into social value. We only succeed as philanthropists if the nonprofits we fund create the measurable change they intended.

Required Reading – Canvas:

- Biographies of Crystal Hayling and Ashley Clark.
- The Center for Effective Philanthropy, “Donors: 5 Things Nonprofits Want You to Know,” 2018.

In-Class Discussion Questions:

- What key actions would enable grantors and grantees to effectively engage in a mutually accountable relationship?
- How far can donor influence be taken without crossing the line of exerting an inappropriate amount of control?
- How might funders work collaboratively with grantees to define, monitor and evaluate the success of a mutually accountable relationship?

MODULE III

Philanthropy, Government and Business

Session 11: Tuesday, October 30

Philanthropic Theory of Change Share-outs

Leading in any field requires the ability to convince others that your message, objectives and plan are critical to listen to, buy into/invest in and adopt. In social change, we must be able to inspire, educate and “sell” others on the importance of our mission and vision. To generate buy-in and engagement of donors, volunteers, employees and stakeholders, we need to articulate clearly, compellingly and persuasively—even in a highly limited period of time. Excellent

written and verbal communication will prove essential to elevating your purpose and actualizing your legacy leadership.

In-Class Assignment – Canvas:

- Please come prepared to give a short, oral presentation of your Philanthropic Theory of Change. Students will stand next to their seats and speak to the class. Presentations will be timed by the teaching team and must be under two minutes. Slides will *not* be accepted. (The instructor will ask for volunteers to present, however, if there is a lack of volunteers, names will be drawn from the instructor’s Halloween pumpkin.) Please see Canvas under “Assignments” for more details.

Required Reading – Canvas:

- Matt Abrahams, “Tips and Techniques for More Confident and Compelling Presentations,” *Stanford Graduate School of Business*, March 2, 2015.

Session 12: Thursday, November 1

Deploying Data to Advance Philanthropy

Guest: Dr. Alex Karp, CEO of Palantir

With the technology advancements of the last decade alone—largely driven by mobile, social, new apps and new platforms—organizations have access to previously ‘un-activated’ information. When collected and presented effectively, individuals can use understanding and insight to turn data into wisdom that informs better decision-making, resource deployment and problem-solving. While we regularly see this at play in the for-profit sector, philanthropy’s use of data is still in its inchoate stages of realizing measurable social change.

Deadlines:

- Reminder: The Nonprofit Assessment Assignment is due on **November 13th by 1:30pm** on Canvas.
- Reminder: Peer Reviews for the Nonprofit Assessment Assignment are due **November 20th by 11:59pm**.

Required Reading – Canvas:

- Biography of Dr. Alex Karp.
- Arrillaga-Andreessen, “Palantir Philanthropy Engineering,” *Stanford Graduate School of Business*, October 2, 2015.
- Baillargeon, “Creating a Higher Standard of Data Use and Protection,” *SSIR*, August 31, 2018.

Required Reading – Accessible Online:

- Palantir Philanthropy Engineering website: www.palantir.com/philanthropy-engineering

In-Class Discussion Questions:

- How can data be used as a tool for social change and to advance philanthropy as a field?
- What unique assets of technology companies can be leveraged for social impact?
- How should the social sector—nonprofits and foundations—approach issues related to data usage, dissemination, privacy and security?

Session 13: Tuesday, November 6

Reimagining Systems for the Future

Guest: David Siegel, Co-Founder of Two Sigma Investments

The innovative thinking that creates new vehicles, modes and platforms of economic, social and political power is an equally important force in helping solve society's broken systems, fractured infrastructure and social ills. When compared to federal and state budgets, philanthropy is a mere fraction of the resources annually deployed for social benefit. Determining the highest leverage investments to solve seemingly intractable present and future challenges requires a level of innovation that not only redefines industries but also fundamentally changes how we work, build and communicate.

Required Reading – Canvas:

- Biography of David Siegel.
- Arrillaga-Andreessen, "Siegel Family Endowment," *laaf.org*, 2018.

In-Class Discussion Questions:

- How can philanthropy play a role in redefining and/or restructuring inequitable systems?
- How can philanthropy balance systems change work against public concerns about private influence on democratic processes and systems?
- What are the challenges of a systems change approach? How could a funder mitigate the risks involved in systems change work?

Session 14: Thursday, November 8

Venture Philanthropy

Guest: Linda Lazor, CEO of SV2

Venture philanthropy, a model formalized through myriad social innovations in the nineties, involves multi-year, organizational capacity-building grantmaking. Whether through a funding intermediary, partnership or other model, this high-engagement investment model entails a portfolio of assets, ongoing evaluation and mutual accountability.

Required Reading – Canvas:

- Biography of Linda Lazor.
- Arrillaga-Andreessen, "SV2—Silicon Valley Social Venture Fund," *Stanford Graduate School of Business*, June 1, 2013.
- Arrillaga-Andreessen, "Donor-Donee Partnerships" Learning Note, *laaf.org*, 2018. **(To be posted after class).**

In-Class Discussion Questions:

- How does venture philanthropy differ from traditional philanthropy? What are the challenges and benefits of this type of high-engagement grantmaking?

MODULE IV

The Philanthropic Frontier

Session 15: Tuesday, November 13

Design Thinking for Social Change

Guest: Laurene Powell Jobs, President of the Emerson Collective and Russlynn Ali, Managing Director of Education at Emerson Collective

Consumer empathy stands at the heart of the most effective social change programs and philanthropic investments. As we strive to help solve some of society's most complex problems, design thinking helps to center our strategies on the people we aspire to empower and serve and who will use the product/services of the nonprofits we fund. Through consumer-driven ideation processes, we test hypotheses and programs by creating rapid feedback loops that drive the ongoing iteration and improvement of social change work.

Deadline:

- **Assignment Due:** The Nonprofit Assessment Assignment is due **before class (1:30pm)** on Canvas. Please consult Canvas for submission guidelines and details.
- **Reminder:** Peer Reviews for the Nonprofit Assessment Assignment are due **November 20th by 11:59pm.**

Required Reading – Canvas:

- Biographies of Laurene Powell Jobs and Russlynn Ali.
- Arrillaga-Andreessen, “XQ,” *Stanford Graduate School of Business*, 2018.

In-Class Discussion Questions:

- In what specific parts of the grantmaking process can funders utilize design thinking to build deeper partnerships with their grantees and target beneficiaries?
- What are some of the possible ethical/moral dilemmas associated with prototyping new social interventions with beneficiaries?
- How could you, as an individual philanthropist, utilize a design thinking approach to achieve your social change goals—please consider as it relates to your ‘Philanthropic Theory of Change’?

Session 16: Thursday, November 15

Corporate Philanthropy

Guest: Justin Steele, Principal at Google.org

Every company has a unique portfolio of assets to deploy for social good—networks, distribution channels, brand equity, employee base—and unique channels for realizing that impact—direct giving, foundations and CSR programs. However, corporate social responsibility comes with its own ethical challenges. As future managers, CEOs, founders, board members and intrapreneurs, we must consider how we can bring the tools and leverage of our organizations to impact the issues we care about most, while also aligning our organization's strategy with that of our philanthropy and maximizing shareholder value.

Deadline:

- **Reminder:** Peer Reviews for the Nonprofit Assessment Assignment are due **November 20th by 11:59pm.** Please consult Canvas for submission guidelines and details.

Required Reading – Canvas:

- Biography of Justin Steele.

- Porter and Kramer, “The Competitive Advantage of Corporate Philanthropy,” *HBR*, December 2002.
- Benioff, “A Call for Stakeholder Activists,” *Huffington Post*, February 2, 2015.
- Porter, “Charitable Giving by Corporations Is Also About Getting, a New Study Finds,” *The New York Times, Economic Scene*, April 3, 2018.

In-Class Discussion Questions:

- What resources can corporations provide that other philanthropies and individual philanthropists cannot?
- Should corporations engage in philanthropic activities or should their sole purpose be generating profits for investors and shareholders?
- What differentiates corporations strategically as players in the philanthropic sector?

HOLIDAY – NO CLASS: Tuesday, November 20th

Assignment Due: Peer Reviews for the Nonprofit Assessment Assignment are due **November 20th by 11:59pm.**

HOLIDAY – NO CLASS: Thursday, November 22nd

Session 17: Tuesday, November 27

Policy Change & Re-engineering Systems

Guest: Dr. Sandra R. Hernández, President of the California Health Care Foundation

In the last 24 months, philanthropy has had to respond to threats of major government cuts in nearly every part of the social safety net. Philanthropy must remain a proactive force for systemic policy change, while also rapidly responding and tending to the needs that arise from changing political powers and discourse. Philanthropy uses myriad channels through which to create policy change, including academia, media, grassroots organizations, voter education and cross-sector partnerships, as well as through specific tactics with government officials and regulators. Working in the policy change arena, philanthropists must navigate formal laws and partisan politics to bring their social change ideas to scale.

Required Reading – Canvas:

- Biography of Sandra R. Hernández.
- Arrillaga-Andreessen, “501(c)(4) Organization” Learning Note, *laaf.org*, 2017.
- Arrillaga-Andreessen, “Advocate Philanthropy” Learning Note, *laaf.org*, 2017.
- Arrillaga-Andreessen, “Policy Framework” Learning Note, *laaf.org*, 2017.
- Arrillaga-Andreessen, “What the Law Allows: Executive Summary,” *laaf.org*, 2018.
- Barkhorn, Huttner and Blau, “Assessing Advocacy,” *SSIR*, Spring 2013.

Required Reading – Accessible Online:

- California Health Care Foundation website: www.chcf.org

In-Class Discussion Questions:

- What are the barriers to creating and implementing evidence-based policy change?
- How do actions by policymakers influence the ability of philanthropists to pursue their mission?

Session 18: Thursday, November 29

Funding the Future—Advancing Knowledge through Prize Philanthropy

Guest: Yuri Milner, Founder/CEO of DST, Founder and Chairman of Breakthrough Prize

Market forces play a powerful role in driving innovation, excellence and competition in the for-profit sector. Financial reward and the ‘brand equity’ of public recognition can drive greater motivation, collaboration and transparency in the fields that better humanity as well. Publicly celebrating the intellectual and research capital of society’s great minds and providing prize funding creates a multi-layered incentive structure to tackle more of our world’s most devastating problems and unanswered scientific questions.

Required Reading – Canvas:

- Biography of Yuri Milner.
- Arrillaga-Andreessen, “Breakthrough Prize,” *Stanford Graduate School of Business*, 2018.
- Reed Wasson, “The Future of Prize Philanthropy,” *SSIR*, Summer 2016.

Required Reading – Accessible Online:

- Breakthrough Prize website: <https://breakthroughprize.org/>

In-Class Discussion Questions:

- In what specific ways can prize philanthropy drive innovation and social change that more traditional program-based funding approaches cannot?
- How might a funder integrate evaluation into a prize funding model?
- What are the benefits and potential conflicts of interest from a company using the prize philanthropy model—if the prize outputs align with the company’s business strategy?

MODULE V

The \$20,000 Question

Session 19: Tuesday, December 4

Grantmaking Debate

Just as in business and politics, social change creation involves expert analysis, deep understanding and the ability to make the case for why specific nonprofits can most successfully translate our capital into measurable impact. Throughout your philanthropic career, regardless of the professional path you choose, you will have countless opportunities to present a compelling case for why others should join you in supporting a particular nonprofit, social issue or movement. Make certain that your case and investments are thoroughly researched, empirically sound and maximize the value of the relevant resources, as individual lives are at stake.

Required Reading – Canvas:

- All Finalist Nonprofit Assessments.

In-Class Discussion Questions:

- Which finalist nonprofit organization is creating the most measurable change? Why?

- Which organizations have the leadership you feel can grow, scale and lead their organizations to greater impact?
- Will a \$10,000 investment for this particular grant need be an inflection point for the organization? If so, in what way?
- What additional questions do you need to answer to make a more informed grantmaking decision?

Session 20: Thursday, December 6

Grantmaking Finals

Today we have an opportunity to make a \$20,000 investment in two nonprofits doing important work. We must make this decision with humility and appreciation for the organizations we choose to support and the lives we aspire to positively impact. This final course activity will require you to apply course learnings to making significant philanthropic investment decisions. Ideally, this process will inform the seriousness with which you practice all of your future philanthropy.

Required Reading – Canvas:

- Kramer, “Catalytic Philanthropy,” *SSIR*, Fall 2009.
- All Finalist Nonprofit Websites.

In-Class Discussion Questions:

- What are specific ways that collaborating with your classmates can increase your philanthropic impact?
- What role can you, as an individual, uniquely play in advancing not just the social sector but also the philanthropic sector?