Introduction

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Philanthropy and Social Impact: A NPF Mini-Symposium

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1 Introduction

Over the last generation, there has been an evolution in philanthropy with an emphasis on strategies for achieving greater impact. Over the same period, there has been a focus on the intergenerational transfer of wealth, what it might portend for philanthropy, and the implications for the nonprofit sector and more generally society. Ultimately, the future of philanthropy and the sector will be determined – not by the transfer of wealth itself – but by the dollars that find their way into philanthropy, and the strategies that are pursued to leverage them.¹

Despite this growth in philanthropy, the pace of scholarship focused on philanthropy and its social impact has not kept pace. To call attention to this deficit and to highlight the opportunities for examining emerging trends in philanthropy, The Center on Philanthropy and Public Policy hosted a research symposium in March 2019. Its purpose was to explore our understanding of the role of philanthropy in creating and scaling social impact by taking stock of intellectual developments and research contributions at the intersection of philanthropy, nonprofits, and social innovation, and to assess the most promising avenues for future work.

1 We consider the period from 1995 when “venture philanthropy” emerged and the number, assets, and giving of U.S. foundations skyrocketed establishing new plateaus that still characterize the sector today. See: James M. Ferris, “Is this the New Golden Age of Philanthropy? An Assessment of the Changing Landscape,” *Voluntary Sector Review*, 7:3 (November 2016) pp. 315–324.

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The symposium included plenary sessions on philanthropic strategy and public policy, networks and partnerships, and social movements with panels of research papers based on responses to a widely circulated Call for Papers. The call welcomed papers from different disciplines and professional fields and theoretical and methodological diversity, including quantitative and qualitative studies. And it encouraged contributions from individuals at various stages of their careers, especially junior scholars.²

Here, we have included a set of papers that illustrates the range of research that was presented at the symposium with the hope that it will encourage others to turn their attention to a research agenda that explores the consequence of the changes that characterizes philanthropy over the past 25 years. Realizing that the borders of philanthropic and nonprofit studies have become more fluid, it is philanthropy that will provide the margin for social change; a role that commercial endeavors and government funding are unlikely to match.

The first paper by George Mitchell and Thad Calabrese, “Instrumental Philanthropy, Nonprofit Theory, and Information Costs,” focuses on the range of approaches that have emerged in recent years that aspire to maximize positive social outcomes per philanthropic dollars expended. The paper focuses on the centrality of information costs to measure, rather than assume, social outcomes. This is in contrast to the presumption that an organization’s nonprofit status signals impact. The information costs incurred to ascertain outcomes is key for donors who are focused on their giving as an investment in change. This leads the authors to contemplate a series of accounting and public policy reforms that might be pursued to encourage information collection, though they caution that the nonprofit sector may have little interest in supporting such changes, as there are few incentives for either donors or nonprofits to depart from the status quo.

In the second paper, “A Theoretical Framework for social impact bonds (SIBs),” Kevin Albertson and his colleagues investigate a new financing model for public services that rewards third parties that finance successful service delivery outcomes. The model, which has been referred to as SIBs, pay for success, or payment for results, is at its core a public sector reform. It sharpens the incentives for desired outcomes, and attracts private sector resources – including philanthropic capital – to yield both financial and social returns. In this paper, the authors consider the extent to which SIBs might be better understood as a source of social innovation beyond just a public management reform or policy tool. Their analysis provides support for using an integrated social innovation and public

² The Call for Papers, and the Symposium programs can be accessed at: <https://cppp.usc.edu/philanthropysocialimpact/>.

governance framework to understand the impact and potential evolution of these outcome-oriented instruments.

While the first two papers considered processes and instruments that facilitate a focus on outcomes, the second two pivot to issue-driven strategies. In the paper, “Giving Voice beyond Her Vote,” Debra Mesch and her co-authors investigate how the results of the 2016 Presidential Election motivated giving. Noting the groundswell of the Women’s March in the aftermath of the election, they examine the patterns of giving before and after the election, whether the post-election giving varied by gender and if such giving was targeted to particular types of nonprofits. The study confirms that women gave more than men in the period immediately after the election, and that women’s giving was directed to progressive nonprofits relevant to issues highlighted in the campaign such as Planned Parenthood Federation and the National Immigration Law Center, among others.

The final paper, by M. Apolonia Calderon, “Foundations as ¿ Amigos o Rebeldes?” examines the impact of foundation grantmaking on local immigration policy. While much of the examination of foundation engagement with public policy focuses on the national level, this study seeks to understand the link, albeit indirectly, at the local level under the federal government’s Secure Communities program between 2008 and 2014. The author examines how the focus of funding – legal services, integration/citizenship, or advocacy – shapes the relationship between philanthropy and government and whether or not it supports local immigration policy.

These papers provide a sampling of research that focuses on how philanthropy creates social impact. They identify themes that are reframing a research agenda on philanthropy with a focus on innovation and outcomes, and how policy issues and politics inform philanthropic strategies. Although not exhaustive, these ideas begin to suggest productive lines of inquiry for a more robust research agenda on philanthropy.