

A Talk to the Roanoke Women's Foundation, Nov. 17, 2009

By Katherine Fulton, President, Monitor Institute and Roanoke native

It's an honor to be back here to help you reflect on the first 5 years. I have to admit it's also a bit intimidating. It's always easier to speak to complete strangers than to a room like this one, full of people I know and a few I also love. And to make things even harder, I have to follow the likes of Wyndham Robertson and Johnnetta Cole, who have spoken to you in recent years. I know them both and just how colorful, charming and charismatic they can be.

I'm sure they reminded you that giving is and should be fun. I couldn't agree more. Today, however, I'm going to concentrate on *another* aspect of giving—its more serious side. This is a sober time, with the worst unemployment in more than a quarter of a century, with no bottom in sight. The newspaper today said there are nearly 50 million households in the U.S. today who lack food security—that means they are not sure they will have enough to eat. We seemed to have pulled back from the financial abyss, avoiding another Great Depression, but only barely. Most nonprofits are struggling, even as demand for their services grows, and most givers of all kinds are inundated with far more requests than they have the resources to respond to.

It's not easy to deal with the choices these conditions create.

Given this, I want to talk today about philanthropic choice, by thinking out loud about some of the things I have seen and learned. In doing so, I hope to spark your own reflections—your personal ones and also about the Roanoke Women's Foundation's first five years, and its future.

Philanthropy is a big word—but it really just means giving to others outside your family, and it's as old as human history and most definitely not limited to the rich. I first learned about philanthropy from my family, which is full of generations of steady givers of both time and money. My great-grandfather, and grandfather and grandmother, and my mother and uncle and aunt and their cousins all helped build and nurture Roanoke in the 20th century through their generosity and their leadership.

In this way, to quote a great preacher William Sloan Coffin, they all tried to give part of their lives to something that would outlast them. The ways in which they took their responsibilities seriously have always inspired me, and I took their example into my *own* adulthood.

For the first 15 years after college I was mostly on the *asking* side of the equation, trying to raise money for various organizations—which as many of you know, will teach you a lot about people (not all of it good). Raising money is nearly always hard, though it can be immensely rewarding and even joyful for the connections and meaning it can create.

At the same time, I also slowly became involved with organized philanthropy on the giving side. Just out of college, I volunteered to help start the North Star Fund, a new type of community foundation in New York City. I then helped spread this movement to the South, where I was one of the original backers of the Fund for Southern Communities. These new alternative giving vehicles were proudly dedicated to change, not charity, and they were committed to engaging the recipients of aid in the actual decision making. That was—and still is—quite unusual.

When I lived in North Carolina for 15 years, I also got to know the great Reynolds family foundations in Winston-Salem—Z Smith Reynolds and Mary Reynolds Babcock, which have done so much good in that state and are known nationally for their innovation. They gave me my first and still memorable glimpse of mainstream professional philanthropy.

My real education, though, has come in the past 10 years, when I've gotten what amounts to my graduate degree in philanthropy. I've spent close to half my very active working life since the late 1990s interviewing philanthropists, writing and speaking to them, advising them and helping them do what they want to do better. I've come to know nearly every corner of philanthropy—both here and abroad—from the voluntary giving circles where smaller givers pool their resources, such as the Roanoke Women's Foundation, to the highest reaches of global philanthropy.

Sometimes I have to pinch myself about what I wake up doing every day. In just the past month, I have sat privately in Silicon Valley with a founder of one of the most famous technology companies in the world, now a billionaire and a very active philanthropist. I have looked out from a Manhattan skyscraper as I spoke to the board of the Rockefeller Foundation. And I look forward to Dec. 1, when President Obama is scheduled to stand with 3 corporate CEOs and the astronaut Sally Ride, to announce a new strategy to improve science, math and engineering education in America's public schools. Some of the ideas he will talk about are familiar to me, because they were the ones our 10-person team at Monitor has crafted with leaders of the Bill and Melinda Gates Foundation.

I understand that what most people know about philanthropy and foundations is very different from my experiences. One common view of philanthropy is that it is about the egos and the foibles of the very rich, and it doesn't have much to do with the rest of us. The poster child for this view is of course Leona Helmsley, who when she died recently left her dog \$12 million in trust. It's not just because I'm allergic to dogs that I find that absurd. Far too many rich people give very little, or if they do, they give for so called "vanity" projects.

Fortunately, I can attest that there are some wealthy people who approach their responsibility very differently. Their stories are for another day and a longer speech. Suffice it to say that the best of them live the words of the poet Adrienne Rich:

“I have to cast my lot with those,
Who age after age, perversely,
With no extraordinary power,
Reconstitute the world.”

Like Johnnetta Cole, I am often impressed by the philanthropy of the rest of us—especially those who on the surface have the least to give but give the most generously.

I believe she talked with you about Osceola McCarty, the uneducated washerwoman from Hattiesburg Mississippi who gave \$150,000—much of her life’s savings—for scholarships for African American students at the University of Southern Mississippi, so that they would have the chance she never had. She deserved the presidential honor that Bill Clinton gave her *and* her honorary degree from Harvard—both of which she received before she died.

It’s a well known fact the world over that the poorest among us are in relative terms the most generous.

I have spoken to the academic in Capetown South Africa doing a study of the women in the villages on that continent who are forming giving circles like this one here.

I have heard the stories of the amazing “town associations” formed by Mexican immigrants, who save some of what they make from the lowest paying jobs in this country, pool it, and then send it home to build schools and clinics in the villages of their birth.

And I recently learned about a wonderful organization called Bread for the Journey, which sponsors neighborhood volunteer chapters in the U.S., to do what they call “grassroots micro-grantmaking”—otherwise known as small gifts to people trying to change something close to home, like creating summer arts programs or school gardens or cleaner parks.

All of these stories testify to the truth of the Italian man who once dramatically stopped a meeting I was running to complain—in colorful four letter words-- that Americans are too concerned with the impact of their giving. I give, he said, to save my soul.

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As an American female donor named Harriet Barlow once said, “Giving well requires that I listen to my inner self and make more conscious who I am and what I want to express in the world. That’s why giving is almost always satisfying to me—whether or not the projects I fund are successful.”

Many Americans have always believed this. It’s one of the things that has made this country great. De Toqueville pointed out in the 19th century that Americans’ propensity for coming together in voluntary associations to improve their communities had already become one of the signature characteristics of our new democracy.

Coming together to give is a way of expressing hope for the future. Done well, it blends heart and mind.

But **how** to give at your best, whether you are rich or poor or something in that vast region in between? It starts, of course, with wrestling with the choices intentionally.

Am I giving enough?

Is this gift a good use of my time or money?

Is my giving too ad hoc and scattered, even random?

Do I give to too many things and have little effect on anything?

Do I give too much to charity and not enough to change the underlying reason for the problem?

Is my giving too much about me and my immediate world and not enough about the most pressing needs?

These are the kinds of questions asked by strategic givers large and small. In the past generation, an entire industry of organizations and advisors and researchers has grown up to help people better address them. Indeed, that's in part how I now make my living. And an astonishing variety of innovation is taking place to help create better answers. It's almost as if, en masse, a whole generation has said out loud: *There must be a better way.*

That's where the Roanoke Women's Foundation comes in. It is an example of one variety of experimentation, and is part of two very important underlying trends.

The first trend is the emergence of women as leaders in every part of our society. It's so wonderful to have Mary Sue Terry here today, who has been such a pioneer. Gail Collins, the New York Times columnist, has just published a delightful book called *When Everything Changed: The Amazing Journey of American Women from 1960 to the Present*. I have just given this book to that amazing woman my mother, for her 80th birthday. It details a story way too easy to take for granted.

Like the rest of public American society, before the changes sparked by modern feminism, philanthropy was mostly the domain of men, and paid no special heed to women and girls.

One manifestation of this is that 40 years ago, there was no U.S. funding organization dedicated to women's leadership and causes. Not one. Today, there are 145 women's funds on this and 5 other continents, giving away about \$60 million a year to causes related to women such as poverty, education, violence, health and human rights. The American South is a current frontier for these funds, with new ones cropping up in places like Chattanooga, Memphis, Atlanta and Birmingham. Two southerners—the Hunt sisters, of the Texas oil fortune—even launched something called Women Moving Millions, attracting gifts of a million dollars and up for women's causes here and around the world. They are at \$176 million and counting, urging women on to recognize their power.

Such leadership by women in philanthropy has another flavor represented by this foundation, and pioneered by Colleen Willoughby at the Washington Women's Foundation. I know Colleen. If you are as interested as I am in philanthropic innovation, you can't *not* know Colleen. She is a tireless advocate. Her motto is: "Be confident. Think smart. Act big." And her idea for how to do that is to bring women together, so they can be smarter and act bigger by pooling their gifts to meet needs in their communities. By doing this, they will also develop themselves as community leaders. Her idea is now being tried in something like 18 cities, Roanoke among them.

So that's the first trend the Roanoke women's foundation is part of—women's leadership. And the second one is what I have just been talking about—smarter ways of collaborating and pooling resources.

This desire to do more by joining together has taken many amazing forms in the past decade or so, the most famous of which was Warren Buffett's gift to the Gates Foundation. Basically, he said to himself, why should I start my own foundation when some very smart people that I trust a lot have already invested immense resources to create the infrastructure of giving. I'll just join them, thereby combining the first and second largest American fortunes into one philanthropic giant.

There are many other examples of this impulse to leverage resources by coming together. It must be said, of course, that this is not a new idea. Both the Community Foundation that sponsors you here, and the local United Way, were models of collaborative giving invented nearly a century ago.

Some of the most interesting experiments of recent years are ways of rethinking these models. My favorites include two that I know well and helped to grow over the past 10 years. Both are led by remarkable women, and are examples of what is widely known as "venture philanthropy," which is using some of the techniques of venture investing, and applying them to nonprofits. Venture philanthropy encourages risk taking, focus, longer term commitments, and providing all the help an organization needs beyond simple funding.

New Profit, led by Vanessa Kirsch, is the nonprofit partner of the firm I work for, Monitor Group, in Cambridge Massachusetts. When she was a young woman, Vanessa founded a nonprofit to promote community service and found out just how hard it was to attract money to grow it. So she founded New Profit a decade ago to work with young social entrepreneurs—the language now in vogue—who had a proven idea but needed the resources and know-how to scale their organizations.

The most famous of the organizations that New Profit sought to help in this way a decade ago was Teach for America, now recognized as one of the great nonprofits of this era. Most of the now 20 organizations in New Profit's portfolio address basic issues of equity—trying to open the promise of the American dream to more people. Vanessa and her colleagues have raised north of a \$100 million from donors who decide to pool some of their giving with New Profit, to make it

strategic and of higher impact. New Profit has also fueled collective advocacy—resulting in the major expansion of the National Service Act that Congress passed this spring and the creation of a new Social Innovation Fund that will combine federal and private dollars to help spread proven solutions.

What Vanessa does domestically, my dear friend Jacqueline Novogratz does globally.

Jacqueline is an Army brat and a graduate of UVa. She went to work for Chase Manhattan Bank, and ended up travelling the world and discovering the then new innovation called microfinance—providing very small loans to farmers and villagers, usually women, to improve their lives. (Tell the story of the Blue Sweater, from her book.)

A decade ago, she started Acumen Fund, which exists to help end poverty by changing how the world addresses it—rejecting traditional aid, which can create dependence, or pure market approaches, which can bypass the actual needs of the poor. Acumen raises philanthropic capital—also now more than \$100 million of it—and treats it as an unusual kind of flexible capital. Rather than giving it away, they invest it in the developing world in businesses that provide critical goods and services to the poor—including affordable health, water, housing and energy—that regular capital markets bypass because they are too risky. Acumen operates in east Africa and India—and importantly is one of the few vital U.S. nonprofits with a proven record in Pakistan, the turbulent country now at the center of many U.S. strategic interests.

Both Vanessa and Jacqueline set out to reinvent philanthropy for this generation by bringing donors together in new ways, and they are joined by scores of innovators who have sought new ways to pool money and do more effective giving.

Some of them are in this room. The Roanoke Women’s Foundation began out of this same impulse—we *can* do better, and we *should* try and we want to do so together. Through countless volunteer hours and hard work, more than 100 women here have raised and given away hundreds of thousands of dollars, and learned a lot along the way. That’s a real achievement and something to celebrate.

Now comes the inevitable question when confronting those perennial choices facing all who give:

What next?

Having come this far, do we keep doing what we have been doing?

What would it look like to go to the next level of impact?

Is this the best we can do with the resources of time, knowledge, networks and money at our disposal?

Or can we do more?

What is my—our—responsibility in a very painful time?

How might this group of women become more of a community?

Should we focus more?

What do we really mean when we say we want to give transformational gifts that will have a large impact?

What kind of leadership might we provide together than we can't provide individually?

There are no “right” answers to these questions, and certainly no easy ones. And it's definitely not up to me to try to answer them. Only the leaders and members of the foundation can do that, as you reckon with your next five years.

What I *do* know is that the people I admire the most ask and answer questions like these. They don't shy away from the choices, however hard they may be. And the leaders who have really blown me away along my life's journey are the ones who have had the courage to go against the grain of past practice, or what's expected of them—whether they are a washerwoman or the richest man in the world, or my friends Vanessa and Jacqueline. They open their eyes and their hearts and their minds in new ways.

My fondest wish for you in this endeavor is that the Women's Foundation is one vehicle for you to do the same—to open your eyes and your hearts, and perhaps also change your minds....wherever you are on your own journey.

As the theologian Reinhold Niebuhr has put it so beautifully, in a quote I have always loved:

“Nothing worth doing can be accomplished in our lifetime; therefore we must be saved by hope. Nothing which is true or beautiful or good makes complete sense in any immediate context of history; therefore we must be saved by faith. Nothing we do, however virtuous, can be accomplished alone; therefore we must be saved by love. No virtuous act is quite as virtuous from the standpoint of friend or foe as it is from our standpoint. Therefore, we must be saved by the final favor of love, which is forgiveness.”

Hope. Faith. Love. Forgiveness. These are the virtues at the soul of giving, and the core of a moral life—now, as always. They are the reasons one reckons, again and again, with the questions and the choices.

I hope you will forgive me if I have gone on too long. I am quite passionate about this subject, and more than pleased to be here today with you to honor both the foundation, and the organizations you have chosen this year.

Thank you very much.