Deconstructing Strategic Philanthropy:
Foundations Can be Strategic Without Unilaterally Specifying the Change Strategy

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November 2023

The concept of "strategic philanthropy" has both shaped and divided the field of philanthropy over the past two decades. Strategic philanthropy has been defined in a variety of ways, but most definitions emphasize: establishing measurable goals, acting in ways that are intentionally designed to meet those goals, and assessing progress toward those goals.[1] In their influential 2008 book, *Money Well Spent*, Paul Brest and Hal Harvey defined strategic philanthropy as "deploying your resources to achieve your goals most effectively." To be strategic, a foundation needs to have a strategy which guides its decision making and actions, and which explains how this approach will achieve the goals the foundation has set for itself.

Having a clear strategy allows a foundation to be coherent rather than ad hoc in its grantmaking. To the extent that the strategy is well developed and evidence-based, the foundation's resources will make a difference with regard to the societal outcomes it cares about. A clear strategy also promotes accountability by stating what the foundation intends to do and revealing its expectations for what will occur in the short term and long term. By evaluating its strategy, the foundation's board and staff can determine whether the foundation is succeeding and can make adjustments as needed. Broader accountability can be achieved by communicating the strategy and evaluation results beyond the board and staff. In short, a clear, well-founded strategy allows a foundation to be a responsible steward of its resources and to meet its ethical and legal obligations as a public charity.

While strategic philanthropy has a noble purpose, it has attracted harsh criticism from nonprofit organizations and their advocates, including Pablo Eisenburg, Ruth McCambridge and Vu Le, as well as foundation leaders such as Darren Walker at the Ford Foundation and William Schambra at Bradley Foundation.[2] Their criticisms have pointed to the following issues:

- Foundation strategies often have unrealistic assumptions and expectations because they are developed by staff in isolation, failing to incorporate the experience and expertise of those who best understand the issues the strategy is seeking to impact.
- Foundations practicing strategic philanthropy don't respect the interests of the groups they fund, instead treating them as agents of the foundation's strategy. They do this by restricting their grants to support foundation-specified work, rather than funding nonprofits to carry out work that advances their own mission.
- Because program officers are responsible for defining how the foundation's goals will be achieved, strategic philanthropy exacerbates the funder-grantee inequities in power and privilege that are endemic to philanthropy.

In 2016, Ruth McCambridge, former editor of *NonProfit Quarterly,* summarized the debate over strategic philanthropy as follows:

> [We] *have been trying to demonstrate the nakedness of this autocratic and insistent emperor for way more than a decade, with its proponents meanwhile acting as if we were regressive spoilsports.*[3]

In this article, I offer a pathway out of this impasse. The critical insight is that the proponents and critics of strategic philanthropy often conflate two distinct levels of strategy. A ***philanthropic strategy*** specifies how the foundation will deploy its resources and influence in order to achieve its goals. In contrast, the ***change strategy*** describes what it will take (from a range of change agents) to achieve a particular change in the world. A foundation's philanthropic strategy needs to reflect a valid change strategy, but it is not necessary that the foundation actually develop that change strategy, nor be in charge of implementing it. In fact, foundations are often better able to achieve their goals if they leave it to those with more expertise to develop and implement the change strategy.

Refraining from dictating the change strategy does not mean that foundations should play a passive role. As Michael Porter and Mark Kramer pointed out in the seminal 1999 article, "Philanthropy's New Agenda: Creating Value," foundations have both the ability and a responsibility to use their resources in ways that enhance and accelerate social progress. A philanthropic strategy defines how the foundation will do that, but this does not mean that the change strategy needs to be mapped out in specific, operational terms. Indeed, one of the critical steps in developing a *good* philanthropic strategy is to determine what role the foundation should play, and not play, in developing the change strategy.

Foundation-Driven Strategic Philanthropy

Porter and Kramer's 1999 article is the oft-cited origin of strategic philanthropy. They posed two essential arguments. First, in order to justify their preferred tax status, foundations need to move beyond simply distributing funds to worthy nonprofits; they need to carry out additional work that "creates value." Second, in order to create value, a foundation needs to have "a real strategy" (p. 125).[4]

During his tenure as CEO of the Hewlett Foundation, Paul Best built off this argument and formulated principles and practices for how foundations can develop "real strategy," create value, be effective, and achieve impact. In his 2015 *SSIR* article, "Strategic Philanthropy and its Discontents," Brest specified 3 key elements of strategic philanthropy:

- donors articulate and seek to achieve clearly defined goals;
- they and/or their grantees explore and then pursue evidence-based strategies for achieving those goals; and
- both parties monitor progress toward outcomes and assess success in achieving them in order to make appropriate course corrections.

He argued that this approach is "more likely to achieve a donor's social goals than any alternative."[5]

Given this definition, why did strategic philanthropy become so objectionable? The answer is that strategic philanthropy in practice has gone beyond these core elements and has come to represent a particular approach to developing and executing strategy. That approach can be appropriately characterized as "foundation-driven strategic philanthropy."

Tanya Beer, Patti Patrizi and Julia Coffman each have a long track record of consulting with foundations on strategy, program design and evaluation, especially with foundations that position themselves as being strategic. In a 2021 article they characterize how these foundations have determined how to use their resources to create societal value:

> *They use elaborate strategy development processes intended to confirm that there funding choices are rational, explained, and, at least on the surface, aligned to produce results. They articulate measurable outcomes to signal a commitment to what they hope to change. Dashboards aim to provide trustees with snapshots of strategy performance to assume them that things are on the right track toward producing public benefit (p. 66).*[6]

One of the dominant features of the Brest/Kramer approach to strategic philanthropy is the "theory of change" which maps out the causal logic for how the foundation's actions and resources will achieve the foundation's desired outcomes.[7] In other words, a foundation's theory of change describes how a particular social change can occur and how the foundation's intervention can support, stimulate or accelerate that change process.

Foundations that define themselves as strategic routinely develop a "theory of change" as one of the first steps in designing an initiative.[8] With the outcome specified and the pathway mapped, the foundation crafts a strategy for using its resources and influence to induce key actors to "do their part" in support of the theorized change process.

Robert Wood Johnson Foundation's 2000 initiative, "Free to Grow: Head Start Partnerships to Promote Substance-Free Communities," provides a good example of foundation-driven strategic philanthropy.[9] This initiative (summarized in the text box) provided funding and technical assistance to 15 Head Start agencies across the U.S. to support the implementation of the "Free to Grow" (FTG) model, which was developed by RWJF in conjunction with colleagues at Columbia University. The FTG model called for Head Start agencies to expand their programming beyond the traditional focus on the child to also include family strengthening, community organizing, leadership development, and policy change. To support implementation, RWJF provided grants to the participating Head Start agencies to hire a new staff position and funded the National Program Office to provide training, coaching, and peer networking opportunities. In addition, RWJF commissioned an external evaluation to test whether the FTG model was effective, and if so, to provide evidence that could be used to make a case to federal policy makers to change the requirements associated with Head Start funding so that the FTG model would become standard practice across the country.

Free to Grow: Head Start Partnerships to Promote Substance-Free Communities

In 2000, the Robert Wood Johnson Foundation (RWJF) and its National Program Office (NPO) at Columbia University issued a national request for proposals from local Head Start agencies to implement and test the Free to Grow (FTG) approach to reducing substance use. Grounded in Urie Bronfenbrenner's socio-ecological model,[10] the FTG model sought to reduce substance misuse by strengthening the families and neighborhoods of high-risk preschool children living in low-income communities.

The demonstration phase of the FTG initiative awarded planning grants to 18 Head Start agencies from across the U.S., 15 of which advanced to the implementation stage. Participating Head Start agencies were required to implement new parent education programming, substance use treatment, case management, leadership development, community organizing, and policy advocacy, while also building partnerships with law enforcement, schools, mental health agencies, social service organizations, and neighborhood associations. This new work was supported through training and technical assistance from the NPO, as well modest grant funding from RWJF.

The theory of change guiding the FTG initiative included not only a theory of how substance use could be reduced, but also how the FTG model could be scaled. The basic idea was to demonstrate that the model was effective in improving individual, family, and community outcomes, and then use that evidence to advocate for changes in the federal standards that guide the accreditation of Head Start agencies (and which must be met to secure annual funding). To ensure that the evidence would be viewed as credible, RWJF invested $6 million in a rigorous quasi-experimental evaluation (more than was allocated to the grantmaking portion of the initiative). The evaluation team conducted telephone surveys of caregivers of children at 3 points in time to detect changes in parenting, community engagement, and risk behaviors. Surveys were also conducted for caregivers of children enrolled in comparison Head Start agencies that were not carrying out the FTG model.

In order to set the stage for changing the federal standards in line with the FTG model, leaders within the NPO reached out to a variety of key stakeholders, including administrators at the Agency for Children and Families, the national association of Head Start Agencies, and Congressional Representatives serving on the committee that reauthorizes the Head Start program.

In sum, the FTG Demonstration Program had a highly strategic, politically astute theory of change for reducing substance use in low-income communities and for scaling the effect nationally by incorporating the FTG model into the standard model that all Head Start agencies are required to implement. However, that theory proved overly ambitious. The evaluation found no evidence of a difference in outcomes in the FTG sites relative to the comparison sites,[11] which precluded any efforts to incorporate the FTG model into federal Head Start standards.

In initiatives such as Free to Grow, grantees carry out foundation-prescribed programming and essentially serve as agents of the foundation's strategy – in line with the theory of change. Critics point out that initiatives such as this are guided by theories of change that are often ill-informed, incomplete and even far-fetched.[12] This occurs because the foundation staff who develop theories of change often have only a partial understanding of the issues and contexts their theory of change applies to. Moreover, foundations often develop their strategies on their own and in insulated settings (board retreats and staff meetings) without the benefit of harsh critics and doubters. Will Schambra envisioned the process as foundation staff "sitting around drinking herbal tea …filling whiteboards with guesses about why people have needs, and how to avert them altogether by getting at their root causes." [13]

Regardless of whether the theory of change is accurate or not, it can be a driving force in a foundation's grantmaking strategy and interactions with grantees. Foundations have the power to impose their theory of change on the groups they fund. And as pointed out by highly experienced critics like Darren Walker and Hal Harvey, foundations sometimes lack the humility to recognize when their theory of change is either ill-founded or at odds with the interests of the nonprofit organizations they bring on as "partners."[14]

Grantee-Defined Change Strategies

For a foundation to be strategic, it needs to use its resources to advance an effective change strategy. However, that change strategy need not be developed within the foundation. A foundation can be strategic by supporting nonprofit organizations in developing and implementing their own change strategies – if those change strategies are consistent with foundation's strategic interests.

<u>1889 Foundation</u>

One example of this comes from 1889 Foundation, a health conversion foundation in Johnstown, Pennsylvania which received a significant portion of the proceeds of the sale of a nonprofit health system, Conemaugh, to Duke LifePoint. Following the sale in 2014, the foundation's board set an ambitious agenda focused on improving population health in Cambria and Somerset Counties, health, focusing specifically on social determinants of health. Based on a community health needs assessment, the foundation identified type II diabetes as a priority issue.

In order to impact diabetes rates in the region, the foundation issued a national request for proposals to bring an evidence-based, comprehensive model to the region. The foundation received 6 proposals and selected the Pathways Community Hub Institute (PCHI).[15] PCHI was selected because its case-management model had evidence of improving health outcomes and was flexible enough to be applied to a wide range of health issues and populations. In addition, the model is designed to be sustainable through contractual relationships with Medicaid insurers.

By funding the start-up phase of the model, the foundation brought PCHI's change strategy to the region. The foundation's philanthropic strategy included much more than funding. It played a major role in setting the local agency that runs the program and has partnered with that agency in extending the model to additional populations. The foundation has also engaged with the Pennsylvania state Medicaid office to build the credibility of PCHI as a potential partner to insurers.

In short, although 1889 Foundation did not have prior knowledge about the change strategy that it ended up supporting, it was strategic in implementing and extending that change strategy – in a direction entirely consistent with the foundation's initial interests. From the community's perspective, the foundation's actions and resources produced changes that would not have occurred otherwise.

<u>Winston-Salem Foundation</u>
RFPs can be used not only to identify change strategies that address the foundation's goals, but also to stimulate nonprofit organizations to develop new strategies that advance those goals. With the ECHO Fund, the Winston-Salem Foundation used this approach in the early 2000s to incentivize local organizations to carry out new work that would align with the foundation's interest in building social capital, which the foundation defined as "connections among people, based on trust, which enhance cooperation for mutual benefit."

The RFP for the ECHO Fund provided this definition, along with the aspects of social capital that the foundation considered particularly important (i.e., connections based on mutual trust, people working together for the common good). In addition to issuing the RFP, the foundation conducted regular briefings to the community, which explained the importance of social capital and presented data showing how Winston-Salem compared to other communities.

Over 5 years, WSF awarded 82 ECHO grants to support 59 distinct social capital projects, ranging from single-day "social gatherings" to multi-year community-organizing projects. Grant awards ranged from $800 to $250,000. An evaluation of the ECHO Fund documented a broad range of work that a) promoted socializing and building relationships, and b) engaged residents in community affairs. More notably, the ECHO Fund influenced 50 organizations across the county (including city agencies, the school district, large nonprofits like Habitat for Humanity, grassroots organizations like Partners for Homeownership and churches) to focus their attention on building social capital and to carry out work that had the intent of building social capital.

Based on interviews with leaders of the funded organizations, the evaluation concluded that nearly two-thirds of the projects either would not have occurred if not for the ECHO Fund or would not have been as extensive.[16] Taken together, these projects generated a range of new community-building work throughout Winston-Salem and brought social capital more fully into the consciousness of a wide range of community leaders. The foundation did not specify any of those projects, but also had a clear philanthropic strategy for inducing new work.

Strategic versus Responsive Philanthropy

These examples are not meant to imply that all foundations supporting grantee-specified change strategies are acting "strategically." To operate strategically, a foundation needs to clarify its goals and act deliberately to advance those goals. Foundations that position themselves simply as a "resource" for the local nonprofit sector act responsively rather than strategically.

The key point here is that foundations that leave it to grantees to develop the change strategy can still be strategic if they have their own goals and a logical approach for selecting and supporting organizations that are well-positioned to advance those goals. Such a foundation would be regarded as even more strategic if it uses evaluation to assess progress toward its goals and adjusts its philanthropic strategy accordingly.

Where Else Might the Change Strategy Come From?

The foundation-centric and grantee-centric models represent two contrasting poles on what is actually a spectrum of strategic philanthropy. That spectrum is shown in Table 1. In between the foundation-centric and grantee-centric models are two other models where the foundation acts as a partner with the groups it funds in developing the change strategy.

Table 1. Models of Strategic Philanthropy

<table>
<tr><th rowspan="2">Model</th><th rowspan="2">Where does the Change Strategy come from?</th><th colspan="2">Role(s) of the Foundation</th></tr>
<tr><th>Model-specific</th><th>Common to all models</th></tr>
<tr><td>Foundation-centric</td><td>Developed by foundation staff and/or consulting group hired by the foundation</td><td>• Define relatively specific goals that advance the foundation’s interests
• Conduct and compile research to identify evidence-based practices
• Incorporate research, experience and relevant perspectives to develop a sound theory of change and change strategy.</td><td rowspan="4">• Clarify the foundation’s interests, goals and expectations for impact

• Identify and recruit partners in developing and/or implementing the change strategy

• Provide funding and other resources to support implementation of the change strategy

• Evaluate progress toward goals and make appropriate adjustments to both philanthropic and change strategies</td></tr>
<tr><td>Co-Strategic</td><td>Co-developed by a group of organizations (including the foundation) with shared interests and complementary expertise and assets.</td><td>• Identify a group of trusted partners that are motivated to advance one of the foundation’s interests
• Explore the specific interests of the partners and identify a particular line of work that all are committed to.
• Collaboratively plan how to achieve the group’s shared interests, assigning specific responsibilities to each</td></tr>
<tr><td>Facilitative/Convening</td><td>Developed by an organization or collaborative group through a process defined and supported by the foundation</td><td>• Identify a high-priority issue where the foundation wants to achieve impact
• Select or develop a problem-solving model that will lead to a new or improved strategy for achieving impact.
• Recruit organizations with relevant interests and influence to engage in the process and produce the strategy.</td></tr>
<tr><td>Grantee-centric</td><td>Developed internally by nonprofit groups that have direct knowledge of how to advance the foundation’s goals</td><td>• Identify a high-priority issue where the foundation wants to achieve impact
• Use either an RFP or established relationships to find organizations with expertise, experience and interest in developing a new, improved or expanded strategy to address the issue.</td></tr>
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Co-Strategic Philanthropy

Rather than either developing the change strategy internally or looking for grantees to do that work, foundations can also enter into active partnerships with groups that have relevant expertise and co-develop the change strategy. Deaconess Foundation in St. Louis operates in the manner with the groups it funds, especially with regard to co-developing advocacy strategies to advance racial equity. The foundation believes that both foundation and its funded groups have distinct domains of influence, so strategies need to be collectively developed and implemented. Constance Harper, director of policy, advocacy and strategic initiatives, described the process as follows:

> *In partnership with them, we determine when and how to engage to use Deaconess' voice to advocate for the cause. … Is it through an opinion editorial in the local newspaper, an address during a press conference, or a podcast appearance?* [17]

She went on to describe how the foundation helps to build the visibility and influence of their partner organizations:

> *When we get a call from a reporter requesting a comment on a topic or subject where our partners are more deeply engaged, it's up to us to also bring our partners to the table and say, "Actually, this is the person that would be better to respond to that."*

Another funder who operates in a co-strategic way is Anchorum Health Foundation, a conversion foundation in Santa Fe, New Mexico that focuses on improving the social determinants of health, especially for residents with limited resources. Anchorum makes a limited number of large investments and engages directly with partners in developing the projects it funds.

One of Anchorum's key focus areas is housing and homelessness. The foundation joined a collaborative planning group which produced a comprehensive needs assessment on the issue. One of the major needs identified by this group was for additional housing units, especially group units that would serve as transitional housing for homeless residents.

As the planning process became more focused and specific, Anchorum staff brought their expertise in real estate development, financing models and accessing public funding sources. Working collaboratively, the group identified an opportunity to acquire and renovate a strategically located motel, the Lamplighter, which could be renovated for transitional housing. Each partner contributed to the design and/or financing of the project, with Anchorum playing a lead role in acquiring the property and holding it while the remaining funds were assembled. Over time, the Lamplighter Motel was rehabilitated and ownership was turned over to a structured partnership involving a property management firm and a behavioral health provider. Other organizations connect clients to the housing opportunities available at the Lamplighter and provide an array of supportive services.

This is an example where the change strategy emerged from a collaborative group in which the foundation was a major player who brought its own distinct expertise and assets. Redevelopment of the Lamplighter would not have occurred without Anchorum's contribution. And moreover, those contributions included not only funding the project, but also co-designing both the facility and the system it supported. Anchorum neither tried to own the strategy nor deferred that responsibility to others.

It is important to point out what was needed for this example of co-strategic philanthropy to work. First, Anchorum brought expertise and influence that was not otherwise present in the group. Second, Anchorum needed to act as a true partner. This meant being upfront and direct in expressing the foundation's interests and contributing its expertise, while also respecting what the other partners brought to the table. The end result was a change strategy that was truly a joint product of the entire group.

Facilitating Strategy Development

Rather than becoming directly involved in co-developing the change strategy, a foundation can play the role of convener and/or facilitator in supporting other actors in developing the change strategy. As with the co-strategic model, this model pertains to the situation where the foundation has a defined goal, but the change strategy for achieving that goal does not yet exist. The facilitative model differs in that the foundation does not seek to contribute content expertise to developing the strategy but instead stimulates and supports others in that process.

An early example of this approach was The Colorado Trust's Teen Pregnancy Prevention Initiative, which ran from 1993 through 1998.[18] The board of the foundation had identified teen pregnancy as a key issue where it wanted to have an impact. After considering a variety of prevention programs, the foundation's staff recommended a community-based approach where coalitions would be formed in six communities to develop locally relevant strategies to reduce teen pregnancy. The foundation hired consultants to facilitate the planning groups and to provide technical assistance on strategic planning, needs assessment, case management, and evaluation. Funding was offered for prioritized action steps in the strategic plan, as well as salary support for a project director and other staff. The foundation did not seek to influence the groups as they developed their strategic plans. To the contrary, the foundation ended up developing a new initiative, Assets for Colorado Youth, centered on one of the major elements included in multiple communities' plans – Search Institute's "Developmental Assets" model.[19]

A second example comes from the Health Foundation of Central Massachusetts, which organizes its philanthropic strategy not around specific issues prioritized by the board, but rather around its role as a catalyst for solving problems that are priorities to the local community. Since its inception as a foundation in 2000, the signature program has been the Health Care & Health Promotion Synergy Initiative, [20]which provides collaborative groups with an average of $2 million over five years to support the development, evaluation, and sustainability of new solutions to problems involving health or social determinants of health. The specific problem to be solved is proposed by applicants. The foundation's strategic interest involves the effectiveness and sustainability of the solution, as well as building the capacity of local nonprofits.

Over the past 23 years, the Synergy Initiative has supported problem-solving on community-defined issues as diverse as oral health, homelessness, prisoner reentry, and economic self-sufficiency. In addition to offering funding, the foundation specifies an evidence-based planning model that the groups need to use to develop their solution. It also supports the group in hiring an external evaluator to assist throughout the process (paid for by the foundation). While the foundation resists influencing the design of the groups' change strategies, it leans in to encourage the groups to stretch themselves. A number of the groups funded under the Synergy Initiative have succeeded in not only developing new models that have achieved measurable impacts on the issues they prioritized, but also sustaining those models over the long run. In some cases, the foundation has used its influence with policy makers to advocate for new public funding or policy changes that support sustainability and scaling.

Moving Forward with Strategic Philanthropy

These examples demonstrate that foundations can be strategic without dictating how to solve a social problem or achieve a particular outcome. There are multiple forms of strategic philanthropy, most of which give funded organizations considerable influence in deciding the change strategy. Being strategic doesn't have to mean acting arrogantly.

The foundation-centric model championed by Brest is what most critics of strategic philanthropy have in mind, but most foundations practicing strategic philanthropy are either leaving it to nonprofits to determine the change agenda or engaging partners in a co-developmental process.

The question remains as to whether the foundation-centric model is ever appropriate. Under what conditions do the staff and board of a foundation come up with the "right" change strategy? Most importantly, the foundation needs to hire staff and consultants who have deep content expertise on the topic where the foundation wants to have an impact. The Rockefeller Foundation has invested heavily in developing this internal expertise as a prerequisite to developing its "big-bet" strategies in complex areas such as vaccine development, global early warning for pandemics, and delivering clean, reliable and abundant energy to the planet.[21]

However, even if a change strategy is evidence-based and designed by experts, it may not actually succeed in producing the desired impact. Most foundation-specified change strategies are aimed at either novel problems or scaling an effective model to new contexts. Both situations are replete with uncertainty. As such, it is inevitable that the initial change strategy will need to be adapted in light of actual experience. Learning and adaptation is more feasible if the groups implementing the change strategy have a stake in maximizing its impact, which in turn requires that they were involved in creating the strategy on the front end. This does not occur with the foundation-centric model.

It is important to point out that giving up some control over the design of the change strategy does not undermine the foundation's ability to act in a strategic manner. The grantee-centric, co-strategic and facilitative models all leave the foundation with the responsibility to define its goals and to determine its own philanthropic strategy for achieving those goals. One of the most important aspects of the philanthropic strategy involves clarifying where the change strategy will come from and the role of the foundation in bringing it forward and ensuring that it is effective.

Before claiming that these three alternative models represent a remedy to the critiques of strategic philanthropy, we should consider Vu Le's argument:

> *The vast majority of funders and donors should not be setting any strategies or priorities at* ***all****. It makes no sense that the people with the most money and privilege but the LEAST knowledge and proximity to the issues should be setting priorities or advancing strategies that nonprofits should follow.*[22]

When referring to "not setting any strategies," Le doesn't distinguish between philanthropic strategy versus change strategy. However, the recommendation that foundations not set priorities implies that they should completely resist strategic philanthropy in any sense of the term. It is useful to consider what happens when a foundation does not have a strategy to guide its grantmaking and other activities.

Goals and intentional action are important for any organization, especially foundations. The foundation's strategy spells out how it will use its resources and influence to add value to the world. When foundations are transparent with their strategy, they provide constituents with the opportunity to assess and to critique the assumptions underlying the foundation's funding decisions and change-oriented actions. Strategy is also critical for evaluating the foundation's effectiveness because it points to the early and later markers of the hypothesized change process. Without a strategy, grantmaking will be ad hoc, non-systematic and capricious. Neither the board nor society at large can hold the foundation accountable to anything beyond expending its resources for charitable purposes. Given how much money foundations distribute, non-strategic grantmaking leads to a huge waste of resources.

In short, foundations have both a right and a responsibility to set goals, align their actions with those goals, measures progress and hold themselves accountable. But this does not mean that foundations should develop their own change strategies, especially not in isolation. Regardless of the topic prioritized by the board, most of the relevant expertise resides outside the walls of the foundation. The people and organizations who hold that knowledge should be partners not only in implementing strategy, but also designing it.

The co-strategic and facilitative models of philanthropy offer important opportunities for foundations that want to operate with a strategic lens. However, it is important to recognize what these models require from the foundation and its partners. Foundations need to be aware (self-aware and aware of others) and make accurate assessments of what it can bring to the situation to add value. Sometimes this means simply bringing added resources to what is already underway. Other times, the foundation can play a useful role in developing a new change strategy. Occasionally the foundation may be best positioned to actually develop the change strategy, but in most cases the change strategy will be better if the foundation brings informed partners into the process.

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