Philanthropic Foundations & Public Policy

PPS 264S.15 POLSCI 299AS

Fall 2007
Mondays, 3:05-5:35, Rubenstein 151
Blackboard Site: https://courses.duke.edu

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OVERVIEW

America’s philanthropic foundations aim not only to support charitable organizations but also to change public policy through their grantmaking. Traditionally, scholars have given short shrift to important empirical and normative questions about foundations’ public role. That is beginning to change, and none too soon. With a half-trillion dollars in assets, and annual grantmaking of more than $30-billion, the nation’s foundations and their boards command the social and economic resources to have a profound, if little understood, impact on social, economic, regulatory, and foreign policy. This course will explore the normative debates revolving around power and democratic accountability and the empirical literature on how foundations attempt to influence public policy, why, and to what ends.

Classes will be a mix of discussion, student presentations, guest speakers, and role play exercises. Discussion questions and role play assignments will be distributed one week ahead of time, either in class or via Blackboard.

COURSE READINGS

There are two books to purchase on Amazon.com or any other retailer: Joel Fleishman, *The Foundation: A Great American Secret*; and Peter Frumkin, *Strategic Giving*. In addition, we will read a number of Duke Foundation Research Program (DFRP) cases. The cases are on Blackboard (Course Documents>DFRP Cases); other readings are on e-reserve or the Web, as indicated.

Class discussions will cover foundation stories in the news throughout the semester. Thus, before the first class, you all should sign up for *The Chronicle of Philanthropy*’s free daily news update, at http://www.philanthropy.com/services/daily/.
COURSE REQUIREMENTS

This will be a challenging course with a heavy workload. But it will also be fun. Each of you will have the opportunity to contribute meaningfully to scholarship on organized philanthropy. Here is what will be expected of you:

1) **Class participation (15% of grade).** You will need to come prepared to answer the discussion questions and otherwise sustain a provocative debate about the readings. Because discussion is so important, regular attendance is mandatory. Each student will be allowed one excused absence. Please let me know before class if you will be absent. Except in extraordinary circumstances, each absence beyond the first will reduce your course grade by 3 percentage points. Absences that are not pre-cleared likewise will result in a 3-point deduction.

2) **Response paper (20%).** Due date varies by student; papers begin with October 1 class. Submit to Blackboard>Assignments. At some point throughout the semester, each of you will be responsible for preparing a 2-3 page response paper that relates the week’s readings to contemporary politics or public policy. The object of the papers will be to stimulate discussion of foundations’ role in public affairs. Your paper should answer one of the following questions. Please state which option you are taking.

   **Option 1:** “Did [Foundation] further, or undermine, American democracy?” How? In other words, construct a well-argued, well-researched normative critique of a foundation’s grantmaking program. Your argument should be backed by empirical evidence.

   **Option 2:** “If my foundation had $50-million to spend each year for 10 years, how would I do a better job tackling the problem that [Foundation] attempted to remedy?” In other words, construct a well-argued, well-researched critique of a foundation strategy featured in the week’s readings.

3) **Research Memo (30%).** Prospectus due Sunday, September 16, by email. Paper due Sunday, October 28, 3 p.m.; submit to Blackboard>Assignments, with hard copy brought to class Oct. 29. Working alone or in pairs, you will do a memo of 5-7 pages evaluating some aspect of foundations’ role in public policy. These papers will be important contributions to the new field of philanthropic studies. The precise research topic is up to you, but each memo will cover the following questions: (1) Why did the foundation choose the program/initiative/project that it did? (2) How did the initiative further the foundation’s larger grantmaking strategy? (3) What did the foundation hope at the outset to achieve? (4) What tangible impact, if any, did the initiative have – on the grantee organization, on individuals or institutions targeted by the initiative, on the foundation itself, and on public policy? (5) What accounted for the successes and/or shortcomings of the initiative? For this memo, you may need to interview people at the foundation; this requires advance planning. Each individual/group should plan to meet with me shortly after 9/16 to discuss your research strategy. Each group will do a 5-minute presentation in class either 11/5 or 11/12; we will use the presentations as a basis for discussion.

4) **Group Consulting Project (35%).** Due November 26, 3:00. Submit to Blackboard>Assignments + bring stapled hard copy to class. Presentations November 26 & December 3. Working in groups of four, your “consulting firm” will advise a fictional donor about how best to distribute the funds through her newly created foundation. The donor’s fictional identity, and the foundation assets, will vary across the four groups. Each group will prepare a strategy paper for the donor and do a short PowerPoint presentation for the donor (and the class) on your recommendations.
COURSE SCHEDULE

FOUNDATIONS’ ROLE IN AMERICAN DEMOCRACY

August 27: What do Foundations Do?
In class:
Introductions; response paper sign-up; assignment of consulting project groups
Discussion of readings
Readings:
* Joel Fleishman, *The Foundation*, Ch. 1-4
* Foundation Yearbook 2007, select tables (print out and bring to class)

THEORIES OF FOUNDATION IMPACT

September 3: Are Foundations Good for Democracy?
In Class:
Congressional hearing + Discussion of readings
Readings:
* V. Richardson, “The Green Movement’s Road to Nowhere,” *Philanthropy*, 1/01 (e-reserve)
  * Fleishman, Ch. 15
  * Frumkin, Ch. 1-2

September 10: Strategic Philanthropy: Competing Theories
In class:
Discussion of Readings + Exercise (TBA)
Readings:
  * Joel Fleishman, *The Foundation*, Ch. 5-8, 10-13

Sunday, September 16: Research paper prospectuses to be emailed to me by 2 p.m.

September 17: Strategic Philanthropy: Competing Theories
In Class: Discussion of Readings
Readings:
  * Peter Frumkin, *Strategic Giving*, Ch. 4-6, 9
  * Caroline Preston, “Couple Donates $93-Million to Foundation Dedicated to Improving Care of Pets,” *Chronicle of Philanthropy*, 6/9/05;
  http://proxy.lib.duke.edu:2165/ehost/detail?vid=3&hid=104&sid=ee95c26b-0f99-460e-bcaeb8a2cb41aeec%40sessionmgr109
September 24: Strategic Philanthropy: Critiques

In class:
Susan Berresford, President, Ford Foundation, Duke Fdn Impact Research Grp, 2007 (video)

Readings:
* Frumkin, Ch. 3
* Fleishman, Ch 14.
* Sam Kean, “Casting Ballots for Charity,” *Chronicle of Philanthropy*, 7/26/07 (available online thru Duke e-journals; permanent link NA at time of this writing)

**HOW DO FOUNDATIONS AFFECT PUBLIC POLICY?**

October 1: Influencing Public Ideas

In class:
Speaker: Alberto Ibarguen, President and CEO, John & James L. Knight Foundation

Readings:
* DFRP Case: “Transformation of the Kaiser Foundation”
* David Ottaway, “Legal Assault on Firms Is Armed by Foundations,” *Washington Post*, 5/19/99; at http://web.lexis-nexis.com/universe/document?_m=95a2b5037b87a4160616282363f91a4a&_docnum=1&wchp=dGlzVzz-zSkVA&_md5=9d619f0552b0e1bflf50d314b9c6b9a8

October 8: Fall Break

October 15: Institution Building At Home & Abroad

In class:
Speaker: James E. Canales, president, James Irvine Foundation

Readings:
* DFRP Case: Ford Foundation & Community Development
* DFRP Case: Ford Foundation & Grameen Bank
* Howard Husock, “Don't Let CDCs Fool You,” *City Journal* (Manhattan Institute), Summer 2001, at http://www.city-journal.org/html/11_3_dont_let_cdes.html; or at http://web.lexis-nexis.com/universe/document?_m=b172a243c45fa10a2faf0f0931f047f4&_docnum=12&wchp=dGlzVzz-zSkVA&md5=fadbf13b80216d2766e2a41a6e8a099b
October 22: Influencing Legislation Through Insider & Outsider Strategies

In class:
Discussion of Readings
Exercise: Soros, Subversion, and Scale: Should Large Grantmakers Be More Strictly Regulated?

Readings:
* DFRP Case: The Carnegie Corporation & Public Broadcasting
* DFRP Case: Boston Foundation Harbor Cleanup
* Karen Paget, “The Big Chill,” *The American Prospect*, May-June 1999 (e-reserve); also at http://www.prospect.org/cs/articles?article=the_big_chill

October 28: (Sunday): Research Papers Due, by 3 p.m. Submit to Blackboard>Assignments; bring hard copy to class the next day.

October 29: Demonstrating Alternative Policy Approaches -- Grantmaker & Grantee Perspectives

In class:
Speaker: Rebecca Kramnick, WHEDCo, Bronx, New York

Readings:
* DFRP Case: Bradley Foundation and School Vouchers

November 5: Reforming Government Institutions: Public Schools

In class:
Discussion of readings + Research Papers

Readings:
* DFRP CASE: Three Foundations and the Pittsburgh Public Schools
* David Bergholz, “An ‘F’ for the Foundations,” *Pittsburgh Post-Gazette*, 7/14/02 (e-reserve)

Philadelphia and Chicago:

Vermont:

November 12: Promoting Scientific Research: AIDS

In class:
Discussion of Readings + Research Papers

Readings:
* DFRP Case: Aaron Diamond Foundation: AIDS Research in New York City
November 19: Wrapping Up: Is Traditional Philanthropy Obsolete?

In class:
Discussion of Readings

Readings:
  * David M. Herszenhorn, “Billionaires Start $60 Million Schools Effort,” *New York Times*, 4/25/07, at http://web.lexis-nexis.com/universe/document?_m=f1692f1e2e969bd387fd6c26bdf8aaaf&_docnum=1&wcp=dGLzVzz-zSkVA&md5=096db54d6b1b248a5aee603c9719c496
  * Bill Clinton, “My Quest to Improve Care,” *Newsweek*, 5/15/06, at http://web.lexis-nexis.com/universe/document?_m=af5ebfb6829e3c30bd1f390e761d5b59&_docnum=1&wcp=dGLzVzz-zSkVA&md5=bff554672557a745f18e5b36a4829ea
  * Chris Hawley, “The richest man you’ve never heard of,” *USA Today*, 6/1/07, at http://web.lexis-nexis.com/universe/document?_m=2d2aa2531b941361ae3150e656147fb5&_docnum=1&wcp=dGLzVzz-zSkVA&md5=4004cc1c12a2035780d9c0bd1bb90706
  * Michael Specter, Branson's Luck: The business world's high roller is betting everything on biofuels,” *The New Yorker*, 5/14/07, at http://web.lexis-nexis.com/universe/document?_m=1f2b7148ce4d6432467a2186133606e&_docnum=1&wcp=dGLzVzz-zSkVA&md5=6e8cd3f17db8468dc7c9fc357bcd9316

November 26: Presentation of Consulting Projects (Grps 1&2). ALL MEMOS DUE. Submit to Blackboard>Assignments by 3 pm, and bring stapled hard copy to class.

  Speaker: Mary Mountcastle, Z. Smith Reynolds Foundation, Mary Reynolds Babcock Foundation, and Center for Community Self-Help (Durham)

December 3: Presentation of Consulting Projects (Grps 3&4)

  Speaker: Barbara Goodman, A.J. Fletcher Foundation