



Philanthropic Foundations & Public Policy

PPS 264S.15 POLSCI 299AS

Fall 2007

Mondays, 3:05-5:35, Rubenstein 151

Blackboard Site: <https://courses.duke.edu>

Professor Kristin Goss
Sanford Institute 234; 613-7331

Office Hours: Tues. 3-5, or stop by
E-mail: kgoss@duke.edu

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 have to 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.**

Presentation/Discussion of papers: A-M on 11/5; everyone else 11/12.

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:

- * Frederick W. Mayer, "Agents for Public Good? Philanthropic Foundations in a World of Social Failure," Sanford Institute Working Paper, April 2006 (e-reserve)
- * V. Richardson, "The Green Movement's Road to Nowhere," *Philanthropy*, 1/01 (e-reserve)
- * Jean Roelofs, "Private Foundations: Covering for Capitalism," *Monthly Review*, 9/05, at <http://www.namebase.org/roelofs.html>
- * David Hammack, "American Debates on the Legitimacy of Foundations," Ch. 3 in Prewitt et al., *The Legitimacy of Philanthropic Foundations* (NY: Russell Sage, 2006) (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
- * Leslie Lenkowsky, "A Question Not on the Agenda: How Long Should a Foundation Operate," *Chronicle of Philanthropy*, 5/3/07, at <http://proxy.lib.duke.edu:2165/ehost/detail?vid=8&hid=7&sid=637a88cf-44ae-4bff-9394-7eeddb88442f%40sessionmgr104>

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-bcae-e8a2cb41aec%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.

* Andrew Carnegie, "Wealth," *North American Review*, No. 391, June 1899, at

<http://www.swarthmore.edu/SocSci/rbannis1/AIH19th/Carnegie.html>

* William A. Schambra, "Root Causes vs. Reality," *Philanthropy*, Nov/Dec 2004, at

<http://www.philanthropyroundtable.org/article.asp?article=799&paper=0&cat=148>

* 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"

* Andrew Rich, "War of Ideas: Why mainstream and liberal foundations are the think tanks they support are losing in the war of ideas in American politics," *Stanford Social Innovation Review*, Spring 2005; at http://www.ssireview.org/articles/entry/war_of_ideas/

* Michael H. Shuman, "Why do progressive foundations give too little to too many?" *The Nation*, 1/12-19/98; at http://www.tni.org/detail_page.phtml?page=archives_shuman_nation

* 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=9d619f0552b0e1bfff50d314b9c6b9a8

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

* Pablo Eisenberg, "The Courage to Profit From Failure," *Chronicle of Philanthropy*, 5/20/99 (e-reserve)

* 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_cdc.html; or at http://web.lexis-nexis.com/universe/document?_m=b172a243c45fa10a2fafb08931f047f4&_docnum=12&wchp=dGLzVzz-zSkVA&_md5=fadb138102816d2766e2a41a6e8a009b

* Ruth McCambridge, "What Foundations Should Debate," *Chronicle of Philanthropy*, 5/3/07, at <http://proxy.lib.duke.edu:2165/ehost/detail?vid=19&hid=7&sid=637a88cf-44ae-4bff-9394-7eeddb88442f%40sessionmgr104>

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

* Pablo Eisenberg, "Grant Makers' Aversion to Advocacy Ignores the Lessons of History," *Chronicle of Philanthropy*, 8/22/02, at

<http://proxy.lib.duke.edu:2165/ehost/detail?vid=22&hid=7&sid=637a88cf-44ae-4bff-9394-7eeddb88442f%40sessionmgr104>

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

* Rob Reich, "A Failure of Philanthropy," *Stanford Social Innovation Review*, Winter 2005, 6-33 (e-reserve); also at http://www.ssireview.org/pdf/2005WI_Feature_Reich.pdf

November 5: Reforming Government Institutions: Public Schools

In class:

Discussion of readings + Research Papers

Readings:

Pittsburgh:

* 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:

* *Can Philanthropy Fix Our Schools* (Thomas B. Fordham Foundation, 2000). This is about the Annenberg Challenge. Please read these four chapters: "Introduction: An Unprecedented Challenge," "Grant Brings High Hopes, Modest Gains," "From Frontline Leader to Rearguard Action," and "Afterward," at <http://edexcellence.net/doc/annenberg.pdf>

Vermont:

* Stephen G. Greene, "Big Fund Hits a Nerve in Vermont," *Chronicle of Philanthropy*, 4/22/99 (e-reserve)

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:

* Nicole Wallace, "Blending Business and Philanthropy," *Chronicle of Philanthropy*, 9/28/06, at <http://proxy.lib.duke.edu:2165/ehost/detail?vid=25&hid=7&sid=637a88cf-44ae-4bff-9394-7eeddb88442f%40sessionmgr104>

* David M. Herszenhorn, "Billionaires Start \$60 Million Schools Effort," *New York Times*, 4/25/07, at http://web.lexis-nexis.com/universe/document?_m=f1692f1e2e969bd387fd6c26bdfefaaaf&_docnum=1&wchp=dGLzVzz-zSkVA&_md5=096db54d6b1b248a5aec603c9719c496

* Bill Clinton, "My Quest to Improve Care," *Newsweek*, 5/15/06, at http://web.lexis-nexis.com/universe/document?_m=af5ebfb6829e3c30bd1f390e761d5b59&_docnum=1&wchp=dGLzVzz-zSkVA&_md5=bffb554672557a745f18e5b36a4829ea

* Chris Hawley, "The richest man you've never heard of," *USA Today*, 6/1/07, at http://web.lexis-nexis.com/universe/document?_m=2d2aa2531b941361ae3150c656147fb5&_docnum=1&wchp=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=1f2b7148ce45d6432467a2186133606e&_docnum=1&wchp=dGLzVzz-zSkVA&_md5=6e8cd3f17db8468dc7c9fc357bcd9316

* Michelle Conlin with Rob Hof, "The eBay Way," *Business Week*, 11/29/04, at http://web.lexis-nexis.com/universe/document?_m=7daa58ce5190887a609956519659c8a6&_docnum=1&wchp=dGLzVzz-zSkVA&_md5=81b199a3302383eb4c537c886a2b33b3

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