



The Center for
High Impact Philanthropy
School of Social Policy & Practice
UNIVERSITY of PENNSYLVANIA

TALENT FOR GIVING: BUILDING THE TEAM TO HELP YOU DO GOOD

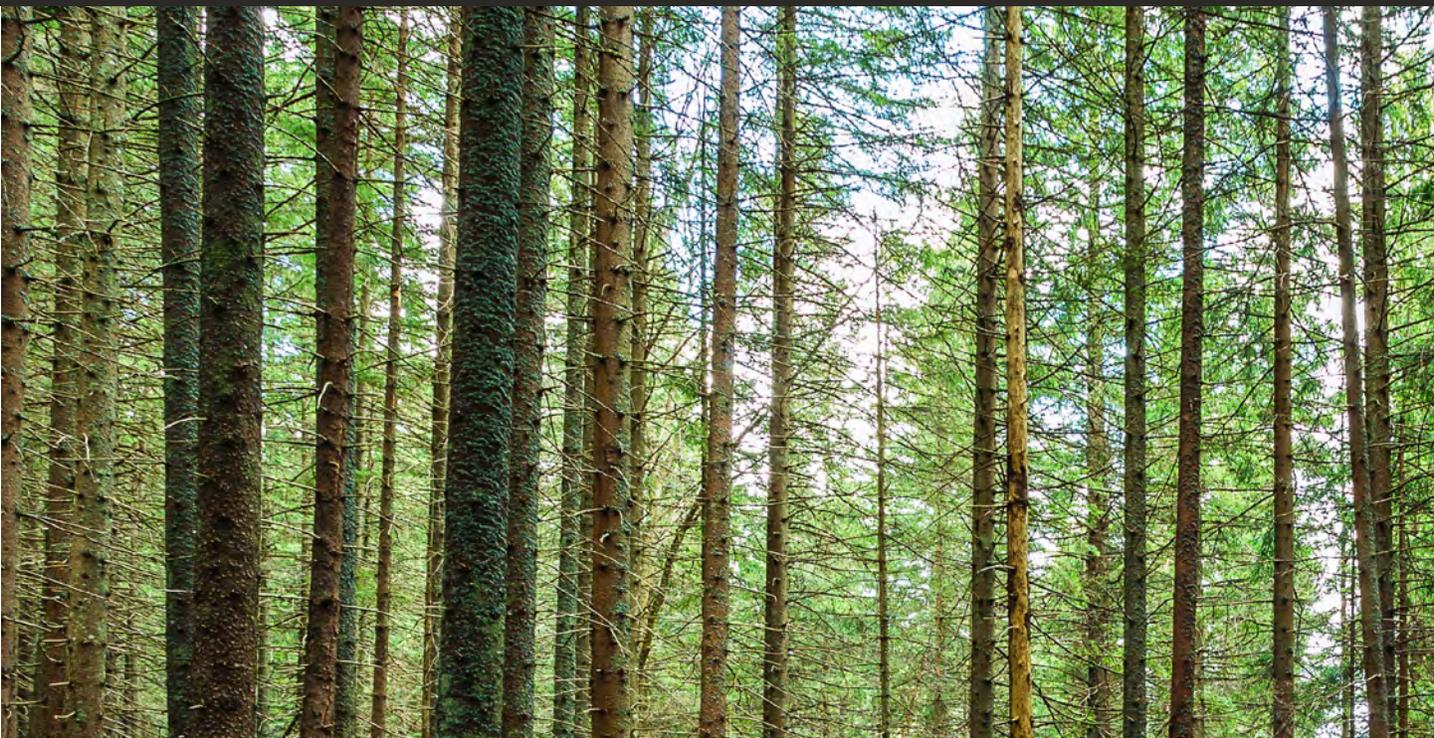
A Guide for High Net Worth Donors

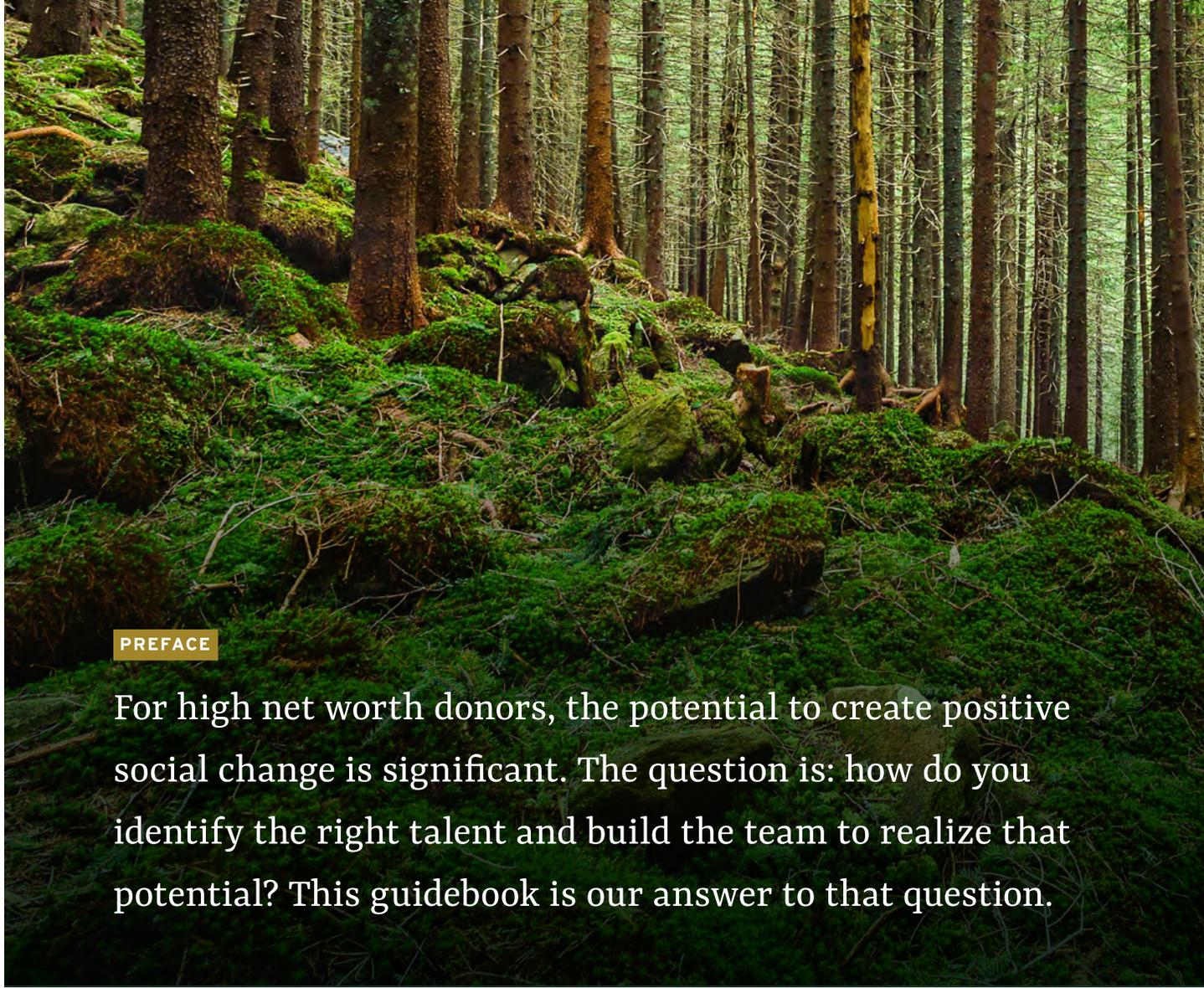
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This work may be cited using the following attribution: Butala, N., Henriques, R., La, H., Ortiz, M., Rosqueta, K. (2021). Talent For Giving: Identifying the People to Help You Do Good. Center for High Impact Philanthropy. www.impact.upenn.edu/talent-for-giving

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PREFACE

For high net worth donors, the potential to create positive social change is significant. The question is: how do you identify the right talent and build the team to realize that potential? This guidebook is our answer to that question.

Talent for Giving reflects over two years of applied research and the insights and resources of many people during a time of challenge and reckoning for philanthropy. During the course of this project, the world has been battling the COVID-19 pandemic's unprecedented health, economic, and social effects. In the United States, we've borne witness to racial injustice exposed through police violence and COVID-19's health and economic disparities. These injustices and disparities existed long before the current pandemic, but over the past year, we have seen new levels of collaboration, trust, and speed among donors who sought to help. Among some donors, we have also seen a new urgency to address the longstanding structural inequalities — particularly across race and gender — that prevent all people and all communities from thriving.

Our hope is that such collaboration, trust, and commitment to equity become a new normal, long past the end of this pandemic. Most importantly, we hope this work helps you find the people you'll need so that we can all move faster toward greater social impact.

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Why This, Why Now?

The Need for Talent for Giving

Scholars estimate that there will likely be more wealth transferred to philanthropy during the first half of this century than in the entire 20th century.¹ Over the past several years, there has been an increase in the number of billionaires and centimillionaires, accompanied by public commitments by many of the world's wealthiest to use their money philanthropically.² To effectively deploy this scale of philanthropic funds, high net worth donors will need help.

There are many professionals devoted to helping donors achieve the financial, legal, and tax goals associated with philanthropic activity. Such talent is relatively easy to identify and source among lawyers and tax experts specializing in estate planning, philanthropic service centers of private banks and wealth management firms, and specialists within family offices.

However, we found relatively few resources focused on the talent that donors need to create social impact — i.e., the intended public good that inspires many to give and that matters to us all.

During interviews conducted for this project, we found the word “staff” was sometimes associated with factors that donors deemed undesirable (e.g., bureaucracy, expense, and loss of personal engagement) and not understood as necessary professional talent to achieve results. We also wanted to distinguish the people you need from the employees of a foundation, since foundations represent just one type of organization used for philanthropic activities and only 18% of total giving.³

We found relatively few resources focused on the talent that donors need to create **social impact** — i.e., the intended public good that inspires many to give and that matters to us all.

For all those reasons, we refer to the people who can help you achieve greater social impact as the “talent for giving.” We use the term “talent for giving” to refer to the ecosystem of people that includes philanthropic advisors and consultants, professional staff hired to guide and implement your activities, institutional grantmakers, subject-matter experts, peer donors, and friends and family. Most importantly, this talent includes the leaders and staff of the nonprofits and social enterprises that implement the work you will fund and the stakeholders of that work, including the beneficiaries themselves.

WHAT'S IN THIS GUIDE

To help donors understand the ecosystem of talent available to help them achieve their social impact goals, we organized this guide into the following sections.

Avoiding Philanthropy's Talent Pitfalls

We start with common misperceptions and myths that prevent donors from achieving the good they hope to create in the world. These pitfalls were reported in the literature, by nonprofit leaders, by longtime philanthropic advisors, by grantees, and by experienced donors themselves. Awareness of these pitfalls is the first step. You can avoid them by recognizing the capabilities required to do good and then sourcing talent from the broader talent ecosystem.

The Talent You Need for Greater Impact

The main body of this guide describes key inflection points along your giving journey when you need to find help and the sources and qualifications for the people who can help you move faster on the path to impact.

Section 1: Talent to Help You Clarify Your Initial Goals and Approach

Here we introduce the talent ecosystem from which you can source the help you need. We then discuss the early decisions you'll need to make and what to look for in the people who can help you make those decisions well.

Section 2: Talent to Implement Your Philanthropic Activities

Once you have made early decisions regarding the cause areas you care about and the high-level approaches you want to fund, you will need help implementing. In this section, we define activities essential to strong implementation, including landscape scans, due diligence on people and organizations to fund, and grants management. We then describe the capabilities to look for in the people who will perform these activities, especially your first hire.

Section 3: Talent to Help You Assess, Learn, and Improve

Once you have funded activities designed to make progress toward social impact goals, you will need help understanding the results of those activities. You'll need to compare actual activities to intended, measure results, capture lessons learned, and set goals for your next cycle.

In addition to the material contained in this guidebook, our team reviewed and identified a host of resources that build on and complement the guidance you will find here. We mention relevant resources throughout this document. You can find a complete list and description of each resource at www.impact.upenn.edu/toolkits/talent-for-giving/resources, along with an annotated bibliography of key source material that informed this work.

At the Center for High Impact Philanthropy, our mission is to provide knowledge and education to help funders around the world do more good. As with all of our work, we hope that the material contained in this guidebook and the companion website help you create greater social impact.



Avoiding Philanthropy's Talent Pitfalls

If you are using this guide, you've made a commitment to use your wealth to make the world a better place. You also understand that since good intentions and wealth don't automatically translate into real-world social impact, you'll need people to help you.

The people who can help you are the “talent for giving.” They include not just staff you might hire, but the broader ecosystem of people whose capabilities will enable you to move from aspirations to actual, positive change. To find them, you'll need to avoid common talent pitfalls in philanthropy.



PITFALL NO.1:

The donor is always right



PITFALL NO. 2:

A large staff is unnecessary, wasteful overhead



PITFALL NO. 3:

“I can rely on family and my personal network alone”



PITFALL NO. 4:

Philanthropy is a personal pursuit, not work

4 Common Pitfalls

In interviews, focus groups, and a review of relevant literature, our team found common misconceptions related to the talent for giving. Those misconceptions fly in the face of best practices in other sectors and prevent donors from doing more good. Below, we have synthesized these observations into the top four major talent pitfalls. With each one, we distinguish the myth from the reality and preview the talent practices donors can adopt to avoid the particular pitfall. Those practices are covered in more detail in the remaining sections of this guide.



PITFALL NO.1:

The donor is always right

In many ways, this is a perversion of the old adage “the customer is always right.” It stems, in part, from the fact that in the nonprofit world, the beneficiaries of nonprofit services are often unable to pay the cost for those services. Instead, donors become the “customers” that nonprofits need to satisfy in order to have the financial resources for the nonprofit’s work. As a result, nonprofits may defer to the donor, even when the donor’s ideas are misguided.

Many high net worth donors reinforce this dynamic. When donors are relatively new to philanthropy and have generated wealth through a successful, entrepreneurial venture, they might assume that their capabilities and insights from their business success can simply transfer to philanthropic success. Effective donors recognize the need to incorporate the knowledge and insights of those working on the front lines and the perspectives of those most directly affected. Why is this so crucial? Because by the time donors have amassed significant wealth for philanthropy, it’s likely that they have little shared experience with the individuals and communities they hope to help.

**PITFALL NO. 2:****A large staff is unnecessary, wasteful overhead**

"I want to work lean." For decades, the conventional wisdom in the nonprofit world has been that "overhead" — the ratio of administrative costs to program costs — is bad. In the for-profit world, particularly in new ventures, lean, small-staffed teams are valued because they allow start-ups to be nimble; are easier for a visionary leader and investor to manage; and keep expenses low. Especially earlier on, while you are still setting goals and exploring different strategies, it makes sense to keep your team small.

But an overemphasis on staying lean and avoiding overhead can quickly result in starving your efforts of the talent necessary to achieve philanthropic goals. In the nonprofit world, there have been increasing calls to abandon the overhead myth, precisely because it leads to a "starvation cycle" in which nonprofit leaders skimp on resources to reduce costs but in reality end up stripping the fundamental resources — human and otherwise — that all organizations need to operate effectively.⁴ Some funders and intermediaries have instead embraced a "pay-what-it-takes" philanthropy, trusting an organization by funding its needs instead of instituting the typical 15% cap on overhead reimbursement adopted by some foundations.⁵

**PITFALL NO. 3:****"I can rely on family and my personal network alone"**

At the beginning of their giving journeys, many donors reach out to the networks they know best and who know them best: family, friends, and social and professional acquaintances. Your shared history makes these people easy and comfortable to approach regarding your hopes and aspirations for your philanthropic activity. You trust them, and they understand you.

However, relying too heavily only on those who share your perspectives and background often leads to critical gaps in knowledge. Even a large personal network may not include those with the specific skills, community experience, or issue expertise required to create positive, social impact.

Unless your family and friends are a very diverse group and include experienced professionals in the nonprofit and philanthropic sector, it can require a significant investment in training, support, and time before family and friends can help you make progress toward your social impact goals. There is also the risk that if you decide to discontinue their involvement in your philanthropy, your personal relationships may be affected, as well.

A more open search for talent gives you a chance to expand your perspective and increase your knowledge, rather than echoing them.

**PITFALL NO. 4:****Philanthropy is a personal pursuit, not work**

Philanthropy operates at the intersection of personal values, private funding, and public interest. Personal values often motivate a major commitment to philanthropy, one that many high net worth donors make after having achieved considerable professional success. Experienced donors consider their philanthropic pursuits among their most satisfying endeavors, and scholars have noted the "warm glow" effect that giving has on the brain.^{4,5}

While personal values and good feelings have long been associated with charitable giving, making real progress toward greater social impact is hard. Ensuring a more sustainable planet, dismantling structural inequality, improving early childhood outcomes, reducing homelessness and other forms of human suffering — these are knotty issues that many donors before and after you will continue to work to address. To succeed takes grit, which psychologist Angela Duckworth defines as the combination of passion and perseverance.⁶ In philanthropy, as in other pursuits, ongoing learning requires taking into account both the criticism and the inspiration of others engaged in the hard work of creating a better world.

Philanthropy's Unique Challenge

While a version of these pitfalls exists in other sectors, high net worth donors are particularly susceptible to falling into them, for two reasons.

First, wealth brings power, and powerful people have the luxury to choose whose perspectives to consider and whose to exclude. The problem is further exacerbated by the lack of mechanisms for holding donors accountable.⁷ As described in Pitfall 1, in the nonprofit sector (unlike the business sector), the providers of the money are not the same as the beneficiaries of the programs and services paid for. Unlike in a democratically elected government, there is no systematic way to vote donors out.

Second, while philanthropy has the potential to catalyze tremendous, positive social change, the failure to better integrate considerations of diversity, equity, and inclusion (DEI) continues to prevent philanthropy from achieving that potential. In the United States, a well-documented and perpetually stable wealth disparity along racial and gender lines⁸ means that many DEI efforts prioritize race and gender.

The philanthropic sector in the United States is predominantly white-led and -staffed⁹ and 75% of white Americans report that the core network of people with whom they discuss important matters is entirely white.¹⁰ In contrast, the communities with the greatest documented need are non-white.¹¹ For more on DEI, see Diversity, Equity, and Inclusion in Philanthropy on page 18.



The Philanthropic Talent Ecosystem

Donors tend to over-rely on family, friends, and business associates. This is understandable given the personal interests and values that often inform charitable giving; a desire for privacy; and concerns with trust and control. Yet, professionals with experience relevant to effective philanthropic decision-making represent the largest and most diverse source of talent. While family and friends may seem easiest to rely on at the beginning, they also bring the most limitations. Peer donors and others in your network can be excellent resources for referrals to professionals.

Throughout your philanthropic journey, there are people that can help you make more and better progress. These people — or talent — come from three main sources. Table 1 on the next page outlines the advantages and limitations of each.

TABLE 1

Breaking Down the Talent Ecosystem

Table 1 describes the talent ecosystem and the strengths and limitations of each source of talent. We start with the largest and most diverse source of talent, which often is the last source that donors tap.

LARGEST SOURCE

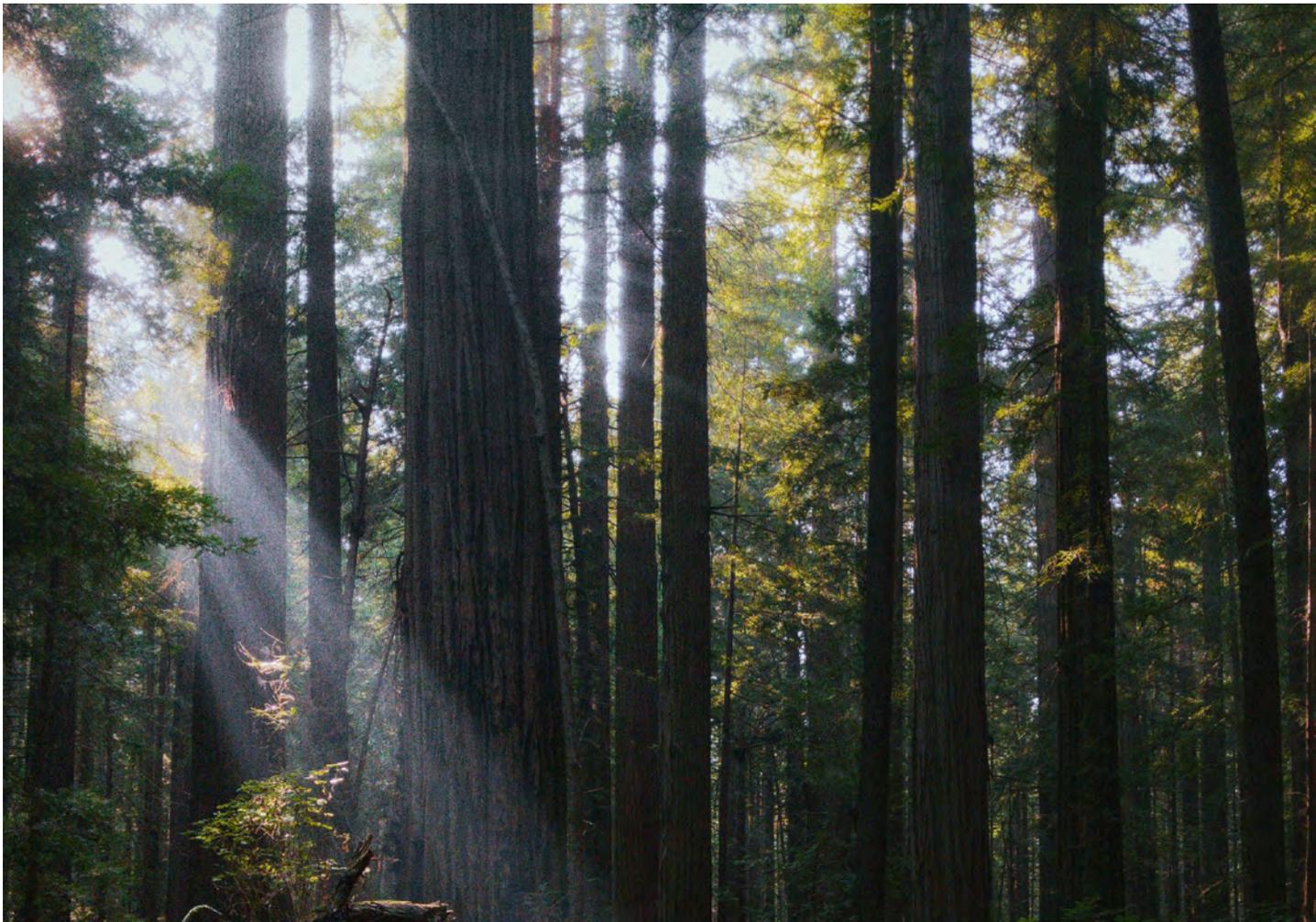
SMALLEST SOURCE

SOURCE OF TALENT	ADVANTAGES	LIMITATIONS
Professionals, e.g., <ul style="list-style-type: none"> » Philanthropic advisor » Nonprofit leader » Professional grantmaker » Subject matter expert 	<ul style="list-style-type: none"> » Largest and most diverse, so likeliest source for breadth of capabilities needed » Many are closer to communities you're trying to support and the problems you're trying to solve » Relatively simple to disengage 	<ul style="list-style-type: none"> » More financially costly than free labor from friends and family » May require more time to find this talent and build trust » Breadth of talent to choose from can be overwhelming
Peer donors and acquaintances with relevant experiences	<ul style="list-style-type: none"> » If already in your network, relatively easy to access » If a peer funder, their referrals to professionals and lessons learned can be especially valuable » May become collaborators/co-funders 	<ul style="list-style-type: none"> » Examples and advice limited to their own philanthropic journey » Limited time, skill, and interest for supporting your efforts » Personal relationships can complicate philanthropic efforts and make it difficult to disengage » May be less diverse than intended beneficiary communities/clients and may lack relevant lived experience
Friends, family, and business associates	<ul style="list-style-type: none"> » Easiest and fastest to access, since already in your network » Shared history and trust can help clarify your personal preferences and values 	<ul style="list-style-type: none"> » By far, the smallest and often more homogeneous pool of talent » Shared perspectives can lead to blind spots » May be unfamiliar with/distant from relevant communities and issues » May require significant time and investment to build capabilities to be effective in philanthropy » Existing relationship can make it awkward to disengage

Unfortunately, many donors fall into the pitfall of not paying for the talent they need, despite the fact that finding and paying for the best, professional talent is what helped them generate the wealth for their philanthropy. Donors who made their money in business likely followed some form of the advice from legendary Silicon Venture capitalist Eugene Kleiner: "1) great people, 2) attractive markets, and 3) significant innovation. If you neglect even one of the three you have a big problem."

It is impossible to identify the talent you need until you know the job that needs to get done.

So how do you identify the talent you need? The literature and expert opinion are clear: It is impossible to identify the talent you need until you know the job that needs to get done. The first "job" is to help you decide on your initial philanthropic goals and the approach you will take to achieve those goals.





The Talent You Need for Greater Impact

Along your giving journey, you will come to key inflection points when you need to call on help. This section presents sources and qualifications for the people who can help you move faster on the path to impact.

S1

SECTION 1

Talent to Help You Clarify Your Initial Goals and Approach

S2

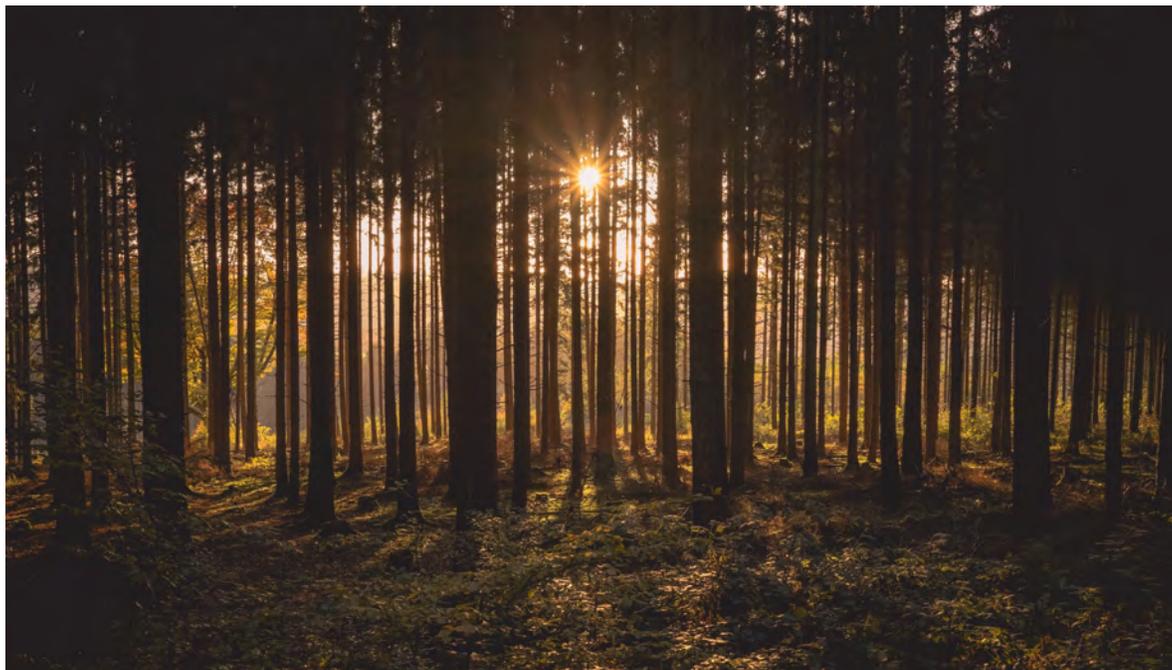
SECTION 2

Talent to Implement Your Philanthropic Activities

S3

SECTION 3

Talent to Help You Assess, Learn, and Improve

**SECTION 1**

Talent for Clarifying Your Initial Goals and Approach

There is no shortage of worthy philanthropic aspirations. Here are just a few, drawn from the Giving Pledge, a commitment by the world's wealthiest individuals and families to dedicate the majority of their wealth to giving back, either during their lifetimes or in their wills.

"We are deeply indebted to our community and our country for the many opportunities granted to us, and for a social and economic environment in which we could make the most of those opportunities. We consider it our responsibility to ensure the same opportunities to others."

– LAURA AND JOHN ARNOLD

"We are also working on desalinating water cheaply, reducing fossil fuel emissions by 50%, cleaning mercury and sulfur dioxide from coal, and a revolutionary medical technology that will improve overall health... For us, all of this falls under reducing human suffering."

– MANOJ BHARGAVA

“We are envisioning how to resolve the issue of educational inequality, support arts and culture, and establish an organization that could help philanthropic institutions in carrying out their work. In addition, it is our humble wish to use our power, albeit small, to address perceptible and institutional obstacles that hinder the culture of giving.”

– BONGJIM KIM AND BOMI SUL

“We will donate and invest with both urgency and mindfulness, aiming to foster a safer, healthier, and more economically empowered global community.”

– DUSTIN MOSKOVITZ AND CARI TUNA

“With a commitment to invest half my net worth — during my lifetime — to causes that support equality of opportunity for African Americans, as well as causes that cultivate ecological protection to ensure a livable planet for future generations.”

– ROBERT F. SMITH

While the motivations, the style, and the intended social impact goals differ, all donors need help moving from aspirations to impact. This is particularly true of donors with a significant amount of capital to invest in doing good.

No matter where you are in your philanthropic journey, the first step on the path to greater social impact is to clarify your initial goals and approach.

What to Look for in the People to Help You Make Early Decisions

The full range of formal and informal talent can help you make decisions. For example, more experienced peer donors can share which choices they made, why they made them, and what they learned with the benefit of 20/20 hindsight. Staff and facilitators at peer forums can also be a source of insight in making these choices. See [resources](#) for examples of peer forums.

Some of these choices may be difficult to navigate without learning more about the social impact goal you’ve chosen. Experienced grantmakers, nonprofit staff, policymakers, journalists, and other subject matter experts can provide valuable information to help you understand more concretely the advantages — and disadvantages — of certain choices.

Professional philanthropic advisors and consultants can also help you navigate these choices, by setting up a process for discovery, making introductions, and serving as sounding boards. The website that accompanies this guidebook includes resources on how to engage philanthropic advisory firms and a directory of over 250 organizations that provide support to high net worth donors.

In addition, these are topics covered in several published resources as well as in our Center’s education programs. See [resources](#) for sample publications, curriculum, and guidance on choosing philanthropic advisors and consultants.

These decisions are necessary to make before you begin implementing. They mark the start of your strategic roadmap, and you will likely rely on many people to help you make these them. When looking for people who can help you make these early choices, look for the following:

Consulting/advising skills

Early on, the job is to help you gain clarity. Making decisions and helping others make decisions are two distinct skill sets. The latter involves excellent listening and coaching skills, usually honed through professional experience in some form of client service, such as consulting, advising, coaching, fundraising, and sales. Those who have adopted a “servant leader” mindset — characterized by a commitment to supporting the growth and well-being of others, even if they haven’t worked in client service — can also be highly effective in this role.¹²

Comfort interacting with individuals in positions of power

Look for people with excellent, active listening skills; the kind of strong communication skills that will allow them to probe and disagree with you, respectfully; and the kind of initiative and resourcefulness to seek out people, ideas, and other resources that can help you. “Managing up” is a particular capability characterized by being a genuine source of help for someone who may wield more authority than you do.

What you don’t want is a professional fan or cheerleader who is just grateful to be so close to power because they are working with someone with more influence, wealth, celebrity, or other forms of power.¹³ They view their primary role as keeping you happy, even if it means preventing you from learning that some of your ideas and assumptions are misguided. In other words, they reinforce the talent pitfalls we described earlier and can impede your progress toward greater social impact.

Familiarity with philanthropic tools and resources

Experienced philanthropic advisors, nonprofit and philanthropic consultants, professional grantmakers, former fundraisers, and nonprofit leaders whose interests and experience go beyond the mission of their particular organization — these are people who can help you. They will be more familiar with the tools, information resources, thought leaders, and real-world case examples that can help you hone in on your goals and approach. More experienced peer donors can also help by serving as mentors and referring you to the specific individuals, consulting firms, education programs, and information resources that helped them on their journey.

Ability to gather relevant information from a variety of sources

You may find it hard to make some of these early decisions without some additional information. Since deciding on your initial goals and approach is only the first job, you’ll want someone who is capable of quickly gathering relevant information from a variety of sources, including desk research such as web searches and conversations with subject matter experts. Some of this information can be collected by someone who may not have the other skills listed above. However, in the absence of those skills, you risk receiving a lot of information, but little useful insight.

Many of these capabilities will continue to be valuable throughout your philanthropy journey and long after you’ve made these early decisions.

Many of these capabilities will continue to be valuable throughout your philanthropy journey and long after you've made these early decisions. For this reason, the same person or people who help you early on may continue with you as long as they possess the capabilities required for the four "jobs" we describe in the next section.

Deciding on Your Initial Goals and Approach

When an individual or family commits to using wealth for philanthropic purposes, they begin a journey. That journey starts with setting initial social impact goals and choosing an initial approach.

Establishing your initial social impact goals is more than articulating your values and your overall aspirations — it is the first concrete step in moving from good intentions to impact. It involves identifying what issues or cause areas you will address and what population or geographic focus your philanthropy will serve.

No matter what goal you identify — addressing climate change, reforming criminal justice, advancing gender equity, ensuring every child has a path to success in your hometown — you will need to make choices about how to achieve that goal. No choice is necessarily better than another, and all can lead to greater social impact.

However, until you make these early choices, it will be difficult to make much progress. Practically speaking, it is not feasible to conduct a good needs assessment and landscape scan ([see Section 2](#)) on the entire universe of societal needs.

The advice you'll seek, the grantees you'll consider, the partners you'll work with, and the team you'll ultimately build will be very different

if you choose to improve early childhood outcomes in the United States compared to advancing gender equity in South Asia. It doesn't mean that you can't shift focus as you learn more. In fact, most donors do. But you have to start somewhere.



Early Decisions and Implications for Talent

The team you need will depend on the choices you make early on. While you may revisit your answer to each of the questions below, your initial answers will inform the talent you'll need to start on the path to impact.



What issue/cause area will my philanthropy address?

CHOICES

There are many worthy issues and causes that can benefit from effective philanthropy. A few examples to illustrate:

- » Education
- » Health
- » Safety and security
- » Inequality
- » Economic development
- » Environmental sustainability
- » Civil society

IMPLICATIONS FOR THE TALENT YOU'LL NEED

Each issue or cause area has its own set of challenges, players, indicators of success, and history of what has and hasn't worked. Without people who bring issue- or cause-specific knowledge and networks, your progress will be slower, and you risk wasting time and effort making the same mistakes others have before.



Which populations and geographic areas will most benefit, if my philanthropic activities succeed?

CHOICES

Many populations and geographic areas would benefit from more effective philanthropic support. A few examples to illustrate:

- » Homeless youth in Seattle
- » Women and girls globally
- » Refugees displaced by conflict in the Middle East
- » Black business owners in the Deep South

IMPLICATIONS FOR THE TALENT YOU'LL NEED

Effective implementation requires adapting efforts to the needs and circumstances of specific populations and geographic areas. Most high net worth donors are very different from the beneficiaries they hope to help. To adapt your efforts well and avoid blind spots, you will need people with knowledge and connections to the populations and geographies you seek to serve.



How *directed vs. open* will my approach be?

CHOICES

A directed approach typically involves a specific "theory of change" — i.e., a strong hypothesis regarding the best way to achieve a social impact goal.

A more open approach tends to emerge more iteratively and organically, based on opportunities that present themselves.

IMPLICATIONS FOR THE TALENT YOU'LL NEED

The more directed an approach you take, the more susceptible you will be to losing beneficiary perspective and the perspectives of others who share your social impact goal, but not your chosen approach. You will need to intentionally identify people to counteract that risk.

The more open an approach you take, the more you will need help incorporating what you learn in real-time so that your efforts make progress and don't devolve into randomness.

? Which *philanthropic plays* will I support to achieve my social impact goal?

CHOICES

We've identified four broad categories or "plays" that philanthropy can back:

1. Direct service programs
2. Systems building/strengthening efforts
3. Policy change and advocacy
4. Innovation and R&D

Some funders focus only on one, while others may back efforts across all four. For more on the strengths and limitations of each approach, see [our website](#).

IMPLICATIONS FOR THE TALENT YOU'LL NEED

Each play has different strengths and limitations, indicators of progress, types of evidence you can use to assess the potential of an opportunity, expected timeframes for results, and risks.

It is rare for people to have experience across all.

Once you decide on your initial approach, your choice of plays will eventually inform whom you hire and work with. For example, having someone on your team who understands the ways local, state, and government rules affect your social impact goals will be helpful if you choose to back policy and advocacy efforts.

? Will I fund related efforts that do not involve financing the work of a nonprofit or NGO?

CHOICES

All three sectors — government, business, nonprofit — can advance or impede social impact goals.

While most donors historically have focused only on funding nonprofits through gifts and grants, others have used PRIs (program-related investments), MRIs (mission-related investments), and other financial vehicles to achieve social impact.

For more on ways philanthropists are using their wealth by funding businesses and political campaigns, see [resources](#).

IMPLICATIONS FOR THE TALENT YOU'LL NEED

Your choice will inform whom you eventually hire and work with. For example, explicitly integrating considerations of social impact into commercial investments is a relatively new capability, requiring both skill in measuring and managing social impact and skill in assessing the commercial viability of a business entity. In other words, the talent hurdle is considerably higher.

DIVERSITY, EQUITY, AND INCLUSION IN PHILANTHROPY

Greater diversity, equity, and inclusion can be a philanthropic goal, as well as an instrument for creating that social impact.

Although all three are often referred to as "DEI," we start with **equity** because when equity refers to promoting a more just and fair world, it describes many donors' hopes for their philanthropic activity. Much philanthropic work focuses on addressing inequities that prevent people and communities from thriving. Those inequities include disparities in access to quality education, health care, clean water, economic opportunity, and legal rights, among others.

Those disparities often stem from a lack of **diversity** in the backgrounds, perspectives, concerns, and thinking of those setting priorities, making decisions, and developing solutions. This lack of diversity results in the exclusion of groups based on demographic and social factors such as race, ethnicity, gender, sexual orientation, disability, economic class, religion, and geography. Their exclusion doesn't just mean that their interests aren't reflected and served well. It also means that solutions that could benefit everyone are never even considered, let alone developed and implemented.

Inclusion refers to efforts to involve diverse perspectives in all aspects of work. Diversity alone can't lead to equity unless there is a culture that fosters a sense of belonging — particularly for those belonging to groups that have been historically excluded — and practices that ensure diverse views are incorporated into decision-making.

How you consider DEI in your philanthropy will depend, in part, on where in the world your philanthropic activities are taking place and what positive change you are working toward. For example, effective DEI efforts might include engaging rural communities, or religious minorities, or LGBTQ youth, or the elderly, or countries in the Global South.

In 2020, the COVID-19 pandemic laid bare long-standing health and economic disparities by race.

In the United States, Black, Indigenous, and Latinx people were hospitalized at 3.7-4.0 times the rate of white people, and dying at 2.6-2.8 times the rate of white people.¹⁴ That same year, the deaths of George Floyd, Breonna Taylor, and other unarmed Black citizens at the hands of police led to high-profile commitments by individual donors, foundations, and corporations to address racial injustice. Against this backdrop, philanthropist MacKenzie Scott made several donations to Historically Black Colleges and Universities (HBCUs) that were the largest in those institutions' histories, as well as to many women-led and Black women-led organizations.¹⁵

Around the world, women and girls have faced much more economic consequences as a result of the pandemic. Women make up almost 2/5 of the global labor force but have suffered more than half of total job losses from the crisis. That's left them 1.8 times more vulnerable to the pandemic's impact than men.¹⁶

Such unequal burdens are obstacles to an effective, sustained recovery. They undermine every country's ability to prepare for future disasters and create additional roadblocks to achieving the United Nations' Sustainable Development Goals.

DEI issues are especially important in philanthropy given inherent wealth disparities and often gender and racial differences that often separate high net worth donors from the beneficiaries they seek to help. As Dr. Martin Luther King Jr. wrote in a 1963 sermon, "Philanthropy is commendable, but it must not cause the philanthropist to overlook the circumstances of economic injustice which make philanthropy necessary."¹⁷ See resources for more on DEI.

“Philanthropy is commendable, but it must not cause the philanthropist to overlook the circumstances of economic injustice which make philanthropy necessary.”

– DR. MARTIN LUTHER KING JR.



SECTION 2

Talent to Implement Your Philanthropic Activities

You have some direction. You've made choices regarding the causes you'll support and the communities and populations that your philanthropic activities will serve. You've decided how directed your approach will be, what philanthropic plays you will use, and whether you might invest in commercial enterprises alongside philanthropic gifts and grants to achieve social impact. Now it's time to find the talent to help you implement.

While there are multiple publications and organizations dedicated to practicing effective philanthropy (See www.impact.upenn.edu/toolkits/talent-for-giving for a list compiled by our team), this guide focuses specifically on the talent you need to do good.

Since you can't identify the talent you need until you first understand the job that needs to get done, this section begins with describing the four implementation "jobs" that someone needs to do. Then it discusses what to look for in that all-important first, full-time philanthropic hire.

Four Implementation Jobs and What to Look For

No matter what cause areas, communities, or high-level approaches characterize your philanthropy, when it comes to implementing philanthropic activities, four responsibilities need to be fulfilled, whether by one person or a full team.



Needs Assessment

WHAT IT ENTAILS:

A needs assessment is a systematic approach to understanding the cause areas and communities you wish to serve. Specifically, it involves getting a baseline assessment of the current situation and identifying the gap between the current situation and the better situation you hope your philanthropy will create.

WHAT TO LOOK FOR:

An effective needs assessment requires skills in gathering and synthesizing information from a variety of sources for practical use. Some of this information can be found in published reports, websites, and articles, while other information will come from the perspectives of stakeholders and those most directly affected, such as potential beneficiaries.

It also requires broad knowledge of the cause area and intended beneficiary population. Such broad knowledge can help get this job done well and quickly. The more relevant and broader a person's knowledge is, the faster that person will find the reports, websites, articles, and people that are most authoritative and relevant. Such broad knowledge can also help prevent that person from being distracted by the latest fad or being overwhelmed or confused by the volume of potentially helpful information out there.



Landscape Scan

WHAT IT ENTAILS:

A landscape scan is a review of the key players — people, programs, organizations — already working in the cause areas and communities your philanthropy will serve. While a needs assessment helps you understand the gap you might fill, a landscape scan identifies the partners and other assets you might tap to fill that gap.

WHAT TO LOOK FOR:

All the skills listed under needs assessment also help with conducting a landscape scan. In addition, look for functional experience in evaluating nonprofit organizations and social sector practices.

Longtime funders, nonprofit leaders, relevant journalists, and public policy analysts can bring those capabilities and provide answers to some of these questions. Consultants and well-trained graduate students bring functional capabilities in conducting social sector landscape scans.



Due Diligence

WHAT IT ENTAILS:

This refers to the process of assessing organizations and determining which will ultimately be the recipients of your philanthropic funding.

WHAT TO LOOK FOR:

Look for people with experience in developing and implementing processes for identifying and assessing prospective recipients of philanthropic funding.

Professional grantmakers, experienced donors, nonprofit leaders, and those most directly affected, such as potential beneficiaries, can help you design due diligence practices that give you sufficient confidence to make funding decisions without placing undue burden on potential grantees in ways that undermine their ability to do their work well. Current and former nonprofit leaders, in particular, can help you find the right balance.

See [resources](#) for people and processes that can help.



Grant/Grantee Management

WHAT IT ENTAILS:

This involves both a transactional component — i.e., tracking and processing the money that will go to your grantees — as well as a relationship component — i.e., communicating with representatives of the organizations you fund. On the website that accompanies this guidebook, you will find a review of 14 of the most widely used grants management systems, using criteria developed by consultants, vendors, foundation program officers, and systems administrators.

WHAT TO LOOK FOR:

The relationship component requires excellent communication skills — both verbal and written — to interact with grantees in ways that foster learning, trust, and accountability. It also requires management and planning skills to handle both the relationship aspects of grantmaking, alongside the financial transaction. A demonstrated ability to work with others to achieve a common goal is an especially helpful capability since grantees are the partners that translate your money into impact.

We list these jobs above in the sequence in which they are typically completed, although good practice involves revisiting previous jobs based on new knowledge gained. For example, once you've conducted a landscape scan and gotten to know some of the relevant people and organizations, you may rethink which gaps your philanthropy might fill. In other words, effective philanthropy involves multiple cycles of iteration.

TABLE 2

Implementation: What Needs to Get Done and What to Look For

Table 2 outlines these four jobs, along with what to look for in the talent to complete these jobs well.

	WHAT NEEDS TO GET DONE	WHAT TO LOOK FOR IN THE TALENT YOU NEED
	<p>Needs Assessment</p> <p>Needs assessment refers to a systematic approach for answering:</p> <ol style="list-style-type: none"> 1. What is the current situation? 2. What is the desired situation? 3. What gaps can I address? 	<p>Skills in gathering and synthesizing information from a variety of sources for practical use</p> <p>Broad knowledge of the cause area and intended beneficiary population to help find authoritative information quickly without getting overwhelmed or distracted by the latest fad</p>
	<p>Landscape Scan</p> <p>A landscape scan answers:</p> <ol style="list-style-type: none"> 1. Who (people, organizations) works in this area? 2. What are their roles and how do they relate to other stakeholders? 3. What are they doing that is proven or really promising? 	<p>All the skills listed above under Needs Assessment also help with conducting a landscape scan</p> <p>Functional experience in evaluating nonprofit organizations and social sector practices</p>
	<p>Due Diligence</p> <p>Information gained from a needs assessment and landscape scan will inform your due diligence. Due diligence refers to gathering the information you need to identify specific recipients for your funding.</p>	<p>Experience in developing and implementing processes for identifying and assessing prospective recipients of philanthropic funding in ways that prevent undue burden on potential grantees (see resources for people and processes that can help)</p>
	<p>Grant/Grantee Management</p> <p>Once you identify recipients, you'll need to manage the relationship (size and terms of the grant, type and cadence of communication, etc.)</p>	<p>For the transactional component — i.e., tracking and processing the grant funds — see our website for reviews of widely used grant management systems</p> <p>For the relationship component, excellent communication skills, planning and management experience, and demonstrated ability to work with others to achieve a common goal</p>

HIRE OR OUTSOURCE?

There are two ways to secure talent: hire or outsource. Hiring refers to bringing someone onto your staff. Outsourcing means contracting to a consultant or outside vendor for an agreed-upon price and time period.¹⁵

In general, you would **hire** staff when:

- » Your goals and chosen approach are clear and you are ready for more structure and ongoing help with setting strategic vision, organizational direction, and implementation.
- » You have an approach that is specific or idiosyncratic enough that it would be hard to easily borrow or outsource. For example, your theory of change might hinge on a new model or set of relationships that need to be cultivated and maintained, or your approach might require the need for specific and ongoing technical expertise.

There are many situations when **outsourcing** make sense. They include when:

- » You have ongoing, but relatively simple and routine tasks that others can do well and cost-effectively.
- » You need specialized talent for a discrete project or defined period of time.
- » You want to move fast by taking advantage of the knowledge and networks that intermediaries and larger philanthropic consulting firms have.
- » You want more operating flexibility than you would have when you commit to recruit and hire staff.

FUNDER COLLABORATIVES

In funder collaboratives, multiple donors and philanthropic institutions pool their financial resources to give collectively and learn. Such collaboratives are often organized to address a shared social impact goal. For example, [Blue Meridian](#) is a collaborative focused on improving economic mobility for young people and families trapped in poverty in the U.S. Whereas [Co-Impact](#) is a funder collaborative dedicated to improving the lives of people and communities in the Global South. Since the professionals who staff the collaborative and the other funders who participate can be a valuable source of talent, joining a collaborative is one way to fill implementation roles and outsource assessment activities. (See [Sources of Talent for Learning and Improving](#) on page 30. You'll find more on funder collaboratives [here](#).)

Your First Full-Time Hire

As you can see, it takes a wide range of capabilities to do all four philanthropic implementation jobs well. Even if you find a “unicorn” — i.e., the person who seems to magically bring all of the necessary skills, knowledge, experience, and networks described above — it is unlikely one person alone will be able to successfully perform all those jobs, particularly if you have significant wealth to deploy and the kind of aspirations exemplified by many of the [Giving Pledge](#) excerpts listed on page 13.

Even though it's unlikely one person will be completing all four of these jobs, you will need at least one individual who you will increasingly rely on to help you ensure all four of these jobs are completed well.

All the capabilities described in Section 2 will continue to be relevant, especially since implementation is part of a cycle of continuous learning. (See [Section 3: Talent to Help You Assess, Learn, and Improve.](#)) In addition, look for the following in that first full-time hire:

More generalist than specialist

In his best-selling book *Range: Why Generalists Triumph in a Specialized World*, David Epstein writes that in particularly complex and changing fields, generalists perform better than specialists.¹⁹ Similarly, David Callahan, author of *The Givers: Wealth, Power and Philanthropy in a New Gilded Age*, criticizes the narrow and more technocratic approach that some professional grantmakers take.²⁰ Focus groups and interviews throughout this project further reinforced the wisdom of seeking a strong generalist as your first philanthropic hire.

The multiple jobs that need to be filled and the dynamic and complex nature of any social change effort require someone with a wide range of capabilities, from both lived and professional experience. Many donors initially tap a relatively inexperienced person as their first hire. However, it takes experience to develop the strong generalist capabilities associated with successful efforts to create positive social impact. These capabilities include the ability to synthesize perspectives, see connections among disparate pieces of information, adapt to different audiences and situations, manage the contributions of others, and improvise when needed. A more seasoned professional is a wiser choice as your foundational hire.

Mindset for philanthropy

Another reason to tap a strong generalist as your first hire is that many of the capabilities associated with generalists align with the mindsets that professional grantmakers have found effective in their roles. In *Being the Change: 12 Ways Foundations Are Transforming Themselves to Transform Their Impact*, the authors identified five mindsets: 1) curiosity and learning, 2) humility, 3) strategic orientation, 4) collaborative approach, and 5) adaptability.²¹

The first two mindsets — curiosity and learning and humility — are especially important in philanthropy, given the power differential between high net worth donors and the nonprofits and beneficiary communities donors seek to support. It is also why hiring a specialist as your first hire can be risky: experts on a topic can be more accustomed to being listened to, rather than to listening.

Relevant personal assets

The more your first hire brings a useful network, lived experience, and reputation relevant to the social impact goals you are working toward, the faster your progress will be. That person's personal assets can help you find specialists to inform the work; connect you to professional grantmakers and peer funders who can share their lessons learned directly with you; quickly scan for promising organizations and people to support; identify good vendors and consultants who can help; and raise the visibility of the work in ways that accelerate progress.

Many donors initially tap a relatively inexperienced person as their first hire. However, it takes experience to develop the strong generalist capabilities associated with successful efforts to create positive social impact.

That person's lived experience and reputation can also enable valuable conversations that you might not be able to have on your own. The richer the personal assets, the more that person can ensure that all four jobs are done well and also serve as a valuable thought partner to you.

Nonprofit and other social sector experience

There are many critical differences between the nonprofit/social sector and the business sector. Indicators of success, performance management, the role of government, financing, accounting, paths to scale — these are all different when the primary aim is to create social impact, not commercial success. Many senior leaders who have successfully made the transition from the for-profit to the nonprofit sector have shared with us just how long it took them to recognize and adapt to these differences.

A first hire who has had direct experience working in the nonprofit sector or in an effort focused on social change will not need the extra time required to recognize and respond to those differences. Instead, they can move more quickly to ensure a needs assessment, landscape scan, and due diligence that incorporate nonprofit and social sector knowledge. That will avoid surprises and accelerate your path to impact.



HOW MUCH HAVE FOUNDATIONS PAID FOR STAFF?

To help answer this question, our team conducted an independent analysis of the largest available dataset that exists for institutional-based funders at the time, supplied by Candid.²² We analyzed 2016 data reported by 543 private foundations with an asset size (the size of the foundation's endowment) of at least \$100 million and at most \$5 billion. We found that large foundations (with \$100M or more in assets) spent an average of 8.87% of their total annual spending on talent costs comprised of staff and consultants. That means for a foundation with a median endowment of \$234 million and an average total foundation spend of \$17,784,000, compensation costs for staff and consultants were approximately \$1,352,000.

Exponent Philanthropy, a membership organization of small-staffed foundations, releases an annual Foundation Operations and Management Report that provides relevant benchmarking data for foundations. The 2020 report found the following average annual base salary for a full-time employee: CEO/top administrator is \$151,898, professional/grantmaking staff is \$107,409, and administrative/support staff is \$67,642. The only difference between smaller (less than \$100M in assets) versus larger foundations (\$100M-\$199M in assets) is a higher average salary of \$204,329 for CEOs of larger foundations.²³

**SECTION 3****Talent to Help You Assess, Learn, Improve**

Reversing climate change, finding cures to disease, ensuring no child goes hungry, reforming the criminal justice system in the U.S., improving mental health, advancing gender equity globally — these are just a few examples of the types of change donors are trying to affect. They reflect some of society’s most pressing challenges. No single cycle of grantmaking will succeed in accomplishing these goals. However, by establishing an ongoing cycle of assessment, learning, and improvement, you can accelerate progress toward greater social impact.

Context for Assessment

This ongoing cycle starts with understanding the intended social impact goals and approach of your philanthropic activity. All assessment activities need to be understood in the context of what was intended. While you may discover unintended consequences of your philanthropic activity — both good and bad — you cannot hold yourself or the organizations you support accountable for a goal or approach different from what was originally intended. [Section 1: Talent to Help You Clarify Initial Goals and Approach](#) (page 13) and [Section 2: Talent to Implement Your Philanthropic Activities](#) (page 20) describe the activities involved in setting a goal and philanthropic approach.

Assessment: A Two-fold Process

Assessment involves two kinds of comparisons. The first is comparing your actual activities to what you intended. The second is comparing your actual results to what you had hoped.

1. Actual versus intended activities

Once you have implemented philanthropic activities, you can now compare actual activities to intended activities. Questions to answer include:

- » Did my activities match the plans I made?
- » Did I fund the types of organizations and efforts I said I would?
- » Did the amounts and timeframe for funding match what my grantees and I anticipated?
- » Did my grantees' activities match their plans and timing?

Answers to these questions are necessary before assessing actual results. If the answer to any of these questions is no, don't be surprised if the actual results you and your grantees observe differ from what everyone expected.

2. Actual results versus hoped-for results

As in so many aspects of life, real-world results won't perfectly match the expectations you or your grantees had. There is no tried-and-true recipe for social and environmental change. When assessing the results of your philanthropic activity, specific questions you need to answer include:

- » Did my funding produce the expected result?
- » If not, how did the results differ from what I hoped for?
- » What might account for any differences between actual and expected results?

Any differences between actual and intended activities might account for a difference in results. However, faulty assumptions and unanticipated external factors — both good and bad — might also account for results that differ from expectations.

Learning and Improving

The answers you obtain from assessment activities provide valuable lessons for you, your grantees, and other stakeholders. Since no one donor, foundation, or nonprofit organization alone can create the kind of lasting social impact we all seek, asking and then sharing answers to these questions enable the next cycle of philanthropic activity to be that much more effective. Questions to consider include:

- » What have I learned that will help us accomplish more, better, faster, and in a way that positive gains endure?
- » How will we adjust future efforts — including goal setting and choosing an approach — to incorporate what we've learned?

CHART 1

Cycle of Assessment, Learning, and Improvement



Revisit your social impact goals before beginning assessment. The findings from your assessment activities not only help you improve, but also may prompt you to rethink and adjust your goals as you approach them.

Context

JOB	QUESTIONS TO ANSWER
Clarify social impact goal	<ul style="list-style-type: none"> » What good — social impact — do I hope to create? » What issue/cause am I focused on? » Which communities and people do I hope will most benefit? <p><i>(See Talent to Help You Clarify Your Initial Social Impact Goals, page 13)</i></p>
Identify/Revisit intended results	<ul style="list-style-type: none"> » What are the implementation objectives for this cycle of philanthropic activity? <p><i>(See Talent to Implement Your Approach, page 20)</i></p>



During assessment you will look at both your activities and results, comparing them to what you intended. See Context above.

Assessment

JOB	QUESTIONS TO ANSWER
Compare actual activities to intended	<ul style="list-style-type: none"> » Did I do what I set out to do? » How well did my activities match the plans I made and the initial approach(es) I settled on? » Did I fund the types of organizations and efforts I said I would? » Did the amounts and timeframe for that funding match what I had anticipated?
Compare actual results to hoped for	<ul style="list-style-type: none"> » Did my funding produce the expected result? » If not, how did the results differ from what I expected? » Which factors contribute to/account for that difference?



When you know how your plans succeeded or fell short, you can adjust to make your next cycle more effective.

Learning and Improving

JOB	QUESTIONS TO ANSWER
Integrate lessons learned	<ul style="list-style-type: none"> » What have I learned that will help me accomplish more, better, faster?
Incorporate improvements	<ul style="list-style-type: none"> » How will I adjust my future efforts — activities and expected results — to incorporate what I learned?

There are many books, publications, organizations, and consultants dedicated to assessing nonprofit and philanthropic performance — you will find many of these in the resources section of the Talent for Giving microsite at www.impact.upenn.edu/toolkits/talent-for-giving. Here we focus specifically on the types of talent that can perform these jobs and find the answers you need.

Sources of Talent for Learning and Improving

Evaluation is a crucial step in assessing the success of your efforts and providing you with the data to show the measurement impact you've had. Unfortunately, given the technical training required for certain evaluation efforts and the fact that donors historically fail to provide sufficient funding for evaluation, foundations and nonprofits both struggle with sufficient evaluation capacity.²⁴ For example, only 36% of nonprofits receive financial and/or non-monetary support from foundations for performance assessment.²⁵ By providing funding for evaluation capacity and training to grantees, donors can address this problem.

There are many people who can help you assess whether your funding produced its intended results. This talent includes staff at the nonprofits who received funding, external program evaluators or consultants, philanthropic staff you hire, and the beneficiaries themselves. The more you tap all these people, the more insightful your assessment activities will be and the more you will learn and improve.

Internal v. External Evaluation

While many people assume that an outside, third-party evaluator is always best, there is great benefit in ensuring the nonprofits you fund have sufficient capacity to assess for themselves whether their work is producing the intended results.

High-performing nonprofits understand the purpose of the work, the evidence behind their chosen activities, and the needs of their clients. When nonprofits have systems for collecting good data, along with staff who know how to use the data, evaluation results not only help everyone understand whether something succeeded or failed but can also directly inform and improve nonprofit work overall.

And when nonprofits have mechanisms for listening to and integrating beneficiary voice, you and the organizations you fund can be more confident that your work is aligned with the priorities and interests of those you seek to help. This is especially important given the power dynamic and demographic differences we discuss in [Avoiding Philanthropy's Talent Pitfalls](#). For example, The [Fund for Shared Insight](#), a national funder collaborative based in the United States, promotes beneficiary feedback as a complement to more traditional monitoring and evaluation techniques. The [Trust Based Philanthropy Project](#) is a peer-to-peer funder initiative to address the inherent power dynamic between funder and grantee. For more on beneficiary voice, see [resources](#).

The advantage of hiring an outside program evaluator or consultant is the specialized skill set in evaluation methodology, which may be needed for more complex programs such as those that target systems-level outcomes (i.e., changes at the broad policy, practice, or community infrastructure level). Outside consultants can also bring a certain level of neutrality and objectivity to evaluations that can be especially important when an effort is high profile, politically sensitive, and/or under consideration for scaling up to other communities, or even nationally.

Whether you rely on talent internal to your grantee, internal to your foundation (or other philanthropic organization), or external to both, the key to assessing results is to compare what happened to a “counterfactual” — i.e., a reference point that gives you a sense of what would have happened in the absence of the effort you funded. In randomized control-trial studies, that counterfactual is provided by a control group. However, your assessment efforts do not need to be structured as a scientific study to give you a comparison. There are estimates and available benchmarks in relevant social science literature and public data sources that a master’s degree student in a relevant field can access.

Good assessment is an iterative, cyclical process. The information gleaned by assessment activities provides opportunities to revisit and refine social impact goals, a chosen approach, how well an approach was implemented, and even the ways to assess going forward. It keeps you accountable to your plans and goals and helps those you fund stay accountable to their stakeholders and mission. Equally important, it provides information to help you and those you work with learn and improve so that you can achieve social impact that much better and faster.

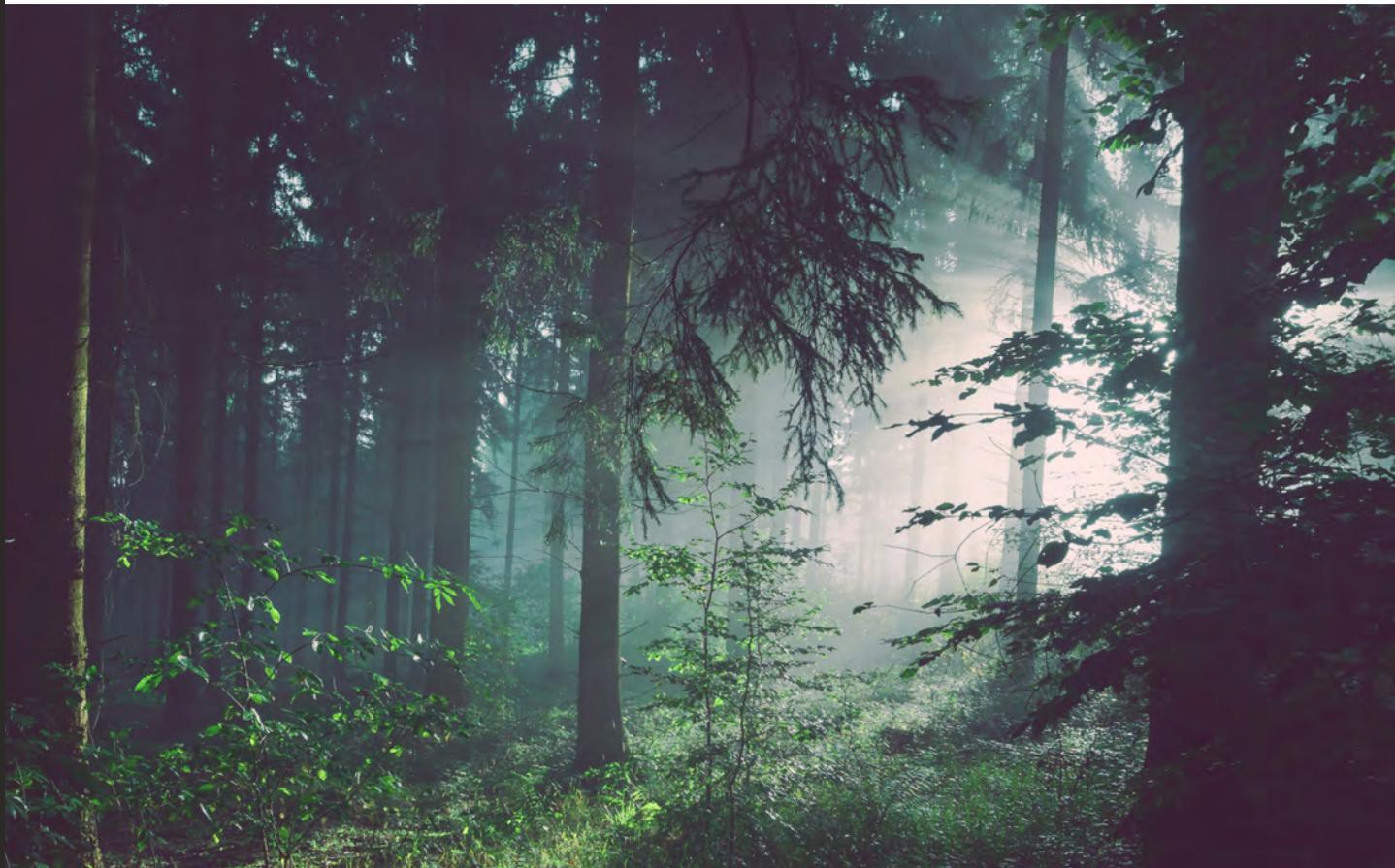
TABLE 3

Talent to Assess, Learn, and Improve

Table 3 describes the advantages and limitations of the different talent available to help you assess results, learn, and improve.

WHO CAN HELP	ADVANTAGES	LIMITATIONS
Staff at the nonprofits you fund	<ul style="list-style-type: none"> » Understand grantees’ mission and rationale behind activities » Closer to beneficiaries and their needs » When systems exist for collecting and understanding results, can immediately incorporate lessons learned in a cycle of real-time, ongoing improvement 	<ul style="list-style-type: none"> » Incentive to report good results to retain or secure funding if you don’t build trust (<i>see Avoiding Philanthropy’s Talent Pitfalls</i>) » May be less credible than third-party assessment to others (e.g., government funders) who value presumed neutrality of external evaluator
Outside, third-party evaluation professionals	<ul style="list-style-type: none"> » Bring specialized skillset in approaches to nonprofit performance and social impact measurement » May provide capacity that staff responsible for programs and client services don’t have » May lack the same incentive as staff to report good results, especially if they belong to a professional organization with a clear code of standards (e.g., American Association of Evaluation Professionals) 	<ul style="list-style-type: none"> » No existing relationship with clients/beneficiaries » Time and cost to understand mission and rationale behind grantees’ activities » Findings may not be readily accepted or incorporated into grantee practice

WHO CAN HELP	ADVANTAGES	LIMITATIONS
Beneficiaries	<ul style="list-style-type: none"> » Direct, firsthand experience of the grantees' work — i.e., ultimate arbiter of "success" » When perspective is systematically incorporated, it helps avoid common pitfalls resulting from differences in demographics, power, and perspectives between nonprofits, funders, and beneficiaries (see <u>Avoiding Philanthropy's Talent Pitfalls</u>) 	<ul style="list-style-type: none"> » May lack interest or capacity to provide information for assessment activities
Philanthropic staff you hire	<ul style="list-style-type: none"> » Most familiar with your intended goals and approach » Can synthesize information from across grantee staff, outside evaluators, and beneficiary representatives to provide a more comprehensive assessment » Available to integrate lessons learned into next cycle of philanthropic activities 	<ul style="list-style-type: none"> » Neither proximate to beneficiaries nor presumed neutral





CONCLUSION

While every individual can act philanthropically, high net worth donors, by definition, bring substantial financial wealth to their philanthropic activities. The scale of your financial resources means you have the potential to contribute to significant, positive social impact.

However, given the challenges society faces today—disparities in health and education outcomes, gender and racial inequity, religious and ethnic strife, political polarization, climate change, etc.—money alone will not be enough. To make progress, you will need all the help you can get, and that help will be different from the talent needed for business. You'll need the talent to help you do good—the talent for giving.

The good news is that there has never been a richer ecosystem of talent to help you address these challenges. By recognizing the different roles that need to be filled, knowing the capabilities required to fill those roles, and intentionally sourcing talent from this broad ecosystem, you can avoid the common pitfalls so many donors have fallen into before. More importantly, you can build the kind of winning team every donor seeks. Philanthropy is a team sport. With the right team, you can create a better world that is a win for us all.

METHODOLOGY

As with all our work, we iteratively rely on three circles of evidence — academic research, informed opinion, and field knowledge — to understand philanthropic opportunities that are both evidence-based and actionable.²¹ For this guidance, our research began with a review of 71 academic articles on talent and staffing models in philanthropy and adjacent sectors, such as health care and the military, where work involved a mission or nonprofit goal. We also reviewed 145 other sources that included non-academic articles, video interviews of high net worth donors, webinars by philanthropic support organizations, conference participation and proceedings, and materials prepared by consultants and philanthropic advisors.

In addition, we interviewed 32 key individuals, including representatives from academia, philanthropic intermediary organizations, and grantmaking philanthropic organizations. Findings from these interviews helped us identify factors that practitioners currently consider when making philanthropic talent decisions.

Four key existing frameworks were identified through the literature review and consistently referenced during exploratory interviews as the current knowledge base for donors on this topic. For a list of these and other key philanthropic strategy resources, please see the Talent for Giving microsite at www.impact.upenn.edu/toolkits/talent-for-giving.

Early versions of our guidance built on this and considered two additional aspects of talent not addressed in the existing frameworks we reviewed. The first is a broader definition of talent beyond hired staff to include contracted talent (e.g., consultants and advisors), peer mentors, co-funders, and the talent that reside in the organizations receiving funding. The second is an explicit discussion of the functions that talent will perform. It is hard to know what talent you need until you know what functions or jobs they will perform.

We tested early versions of our guidance in two separate two-hour focus groups and an in-person convening of 25 participants. In the first setting, academics, principals, foundation staff, and philanthropic intermediaries and consultants provided feedback. In the latter setting, we also gained the perspectives of family foundation heads and principals themselves.

Separate from the literature reviews and interviews, we also conducted quantitative data analysis to address the practical consideration of how much foundations spent on compensation for talent. We reviewed Fiscal Year 2016 data from Candid for U.S.-based independent/family, corporate, community foundations in the FC 1000 research set with assets of at least \$100 million that file the 990 and 990-PF tax forms. This data set included 119 variables of data for private foundations and 129 variables for public foundations from a total of 628 organizations. CHIP's Applied Research Team conducted both descriptive inferential analyses to determine average amounts spent on compensation and grantmaking factors that may affect that average amount.

In addition to the many individuals who served as key informants for this project, the project team also benefited from the hundreds of conversations our colleagues have had throughout the years with nonprofits and the beneficiaries of philanthropically funded nonprofits. Those perspectives have informed our annual high impact giving guide and our many cause-specific guides on topics such as education, mental health, and disaster response.

Since much of our work relied on the expert perspectives of the interviewees mentioned above, there is additional context representative of the richness of our conversations provided in the end

notes of this guide. For example, we have included the assumptions and caveats of our dataset for our Candid data analysis in the endnotes.

An earlier version of this manuscript included composite case examples. Details and themes for these composite case examples were drawn from two sources. The first were conversations and interviews we conducted with over two dozen high net worth donors and the talent they rely on to make decisions and implement their philanthropic activities. Our team then supplemented details and themes from these interactions with other relevant information from publicly available sources. Those case examples provided a useful baseline of current practice. After our case examples were reviewed by a panel of experts, we used feedback to identify common pitfalls and the practices and resources that today's donors can use to avoid those pitfalls.

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ACKNOWLEDGEMENTS

We would like to thank the many individuals who shared their expertise, offered insights, connected us to others, or provided feedback throughout this project:

Brad Aronson, author of *HumanKind: Changing the World One Small Act At a Time*

Mrs. Sandra K. Baldino

Henry Berman,
Exponent Philanthropy

Melissa Berman, Rockefeller
Philanthropy Advisors

Jeff Berstein, The Berstein
Family Foundation

Matthew Bidwell, Wharton
School of the University of
Pennsylvania

Katie Boland, Delta Fund

Tony Bowen, FMA

Sarah Haacke Byrd,
Women Moving Millions

Peter Cappelli, Wharton
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of Pennsylvania

Theresa Chen, Skoll Foundation

Ram Cnaan, University of
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Julia Coffman, Center for
Evaluation Innovation

Phyllis Cook

Rebecca Cornejo, Neubauer
Family Foundation

Alexa Cortés Culwell,
Open Impact

J.J. Cutler, Heidrick &
Struggles

Alicia DeSantola, Harvard
Business School

Suzanne Kennedy, IAC

Meghan Duffy, Grantmakers
for Effective Organizations

Julie Fisher Cummings

Pam Foster, Co-Impact

Stephanie Gillis, Raikes
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Efrain Gutierrez, Strategy,
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Nelson Lim, Rand Corporation

Katherine Lorenz, Cynthia and
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Richard Marker, Institute for
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Samantha Matlin, Scattergood
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Sarah Martinez-Helfman, Sam
Fels Institute

Trina Middleton, National
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Jodi Lee Nelson, Independent
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Tracy Mack Parker, Harbor
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Hilary Pennington, Ford
Foundation

Leslie Pine, The Philanthropic
Initiative

Hilary Rhodes, William Penn
Foundation

Jennifer Hoos Rothberg,
Einhorn Collaborative

Daphne Rowe, Pembroke
Philanthropy Advisors

Misti Sangani, Bank of America

Sharon Schneider, Integrated
Capital Strategies

Paul Shoemaker

S. Mona Sinha, Women Moving
Millions, Fund for Women's
Equality (ERA Coalition)

Gabriela Smith,
Crimsonbridge Foundation

Donna Stark

Melissa Stevens,
Milken Institute

Stephanie Teleki, California
Health Care Foundation

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Special thanks to the following colleagues at the Center for High Impact Philanthropy for their assistance and support:

Kelly Andrews, MLA, Director of Knowledge Management and Marketing

Sanjay Dureseti, Student Intern

Patricia Jia, MS, Communications Associate

Kathryn Kelley, MBA, Student Intern

Tamla M. Tinsley, Program Coordinator

About CHIP

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September 2021