

Experience Philanthropy

Philanthropy in Seattle has an interesting history. Tonight, I will look back on trends from the early days of Seattle forward, and then concentrate on contemporary factors and what they mean for women.

When thinking about philanthropy, it is useful to think about how the wealth that fueled the philanthropy was created. In Seattle, our first city builders made their fortunes in industries based on natural resources – timber, fish and minerals. Some of the result of agriculture in Eastern Washington found its way to Seattle as well. Orchards, vineyards, and wheat farms all played a role. Later, manufacturing was an important part of the picture – Boeing, Paccar, ship builders, and iron smelters were important in the growth.

More recently, the internet, high tech and biotech have catapulted new generations to levels of wealth not really seen in the preceding eras. At the same time, we should observe that the philanthropic causes that aroused the passions of our philanthropic families have also evolved. Early generations, the pioneers, city builders were interested in institution building. They started Children's Hospital, University of Washington, Seattle Symphony, to name a few.

Once established and thriving, these institutions looked to build infrastructure. Thus they entered an era of capital building projects like hospitals, symphony halls, museums, theaters, universities, as examples. More recently, endowment building to ensure stability for favored institutions has gained support.

Needless to say, these are trends that ebb and flow, but never really go away. It is useful to think of how history, growth and social change drive philanthropy. The trends I've just noted continued to greater or lesser degree through two world wars, a depression and several recessions.

How people give has seen changes over the years too. Individuals of wealth were dominant in the early years of the last century, either directly or through their private foundations. Corporate giving emerged as a huge force in the 1970's and 80's. Boeing, Weyerhaeuser, the major banks, and Safeco were all important players.

The emergence of collective giving in the form of United Way and widespread drives for specific charities were popular mid-century. It seems almost quaint today to think that volunteers went door to door for the Orthopedic Penny Drive and for United Way. Quaint in the manner in which it was done, but not so different in effect from some internet collection sites, crowdfunding and other innovations. Small, individual gifts from large numbers of people. We'll talk much more about the collective giving model in a minute.

As I've just noted, leaders in the community were independent and innovative in their thinking. They saw need, began institutions, built the infrastructure, and created endowments. They evolved from just an individual donor model to combined, grassroots support. They grew from a few

privileged philanthropic families to broad citizen involvement in annual giving to support the operations.

Today, an entrepreneurial generation is asking, how can we be more effective, more focused, more strategic with our gifts? They gravitate to organizations that value convening – that is, bringing various resources together.

They also expect a voice. Contrary to earlier generations, these young people are not content to only support the traditional causes of the past. They want to change the future. Social justice, environmental issues, and animal rights issues have their attention.

Because community foundations like The Seattle Foundation serve multiple generations of families, I had the catbird seat to see this evolution of priorities evolve in Seattle. My colleagues around the country were envious of the role we played in bringing the generations together.

From my vantage point as CEO of The Seattle Foundation for 23 years, I saw these generational interests change and evolve. The outstanding thing to me was that each generation was eager to learn from the others. I think this respect for each other and the willingness to teach and learn, was stronger here than in other cities. Our Northwest culture of open collaboration has much reason for pride.

Martha Choe of the Bill & Melinda Gates Foundation recently described philanthropy as uniquely American – the power of the collective. I think her idea of the collective is reinforced by the thoughts of Alexis de Tocqueville in his book “Democracy in America.”

Tocqueville found that Americans had embraced the idea of associations (we now say collectives) with a zeal unknown in the aristocracies of France and England. He believed that associations extended democracy beyond the scope of elected offices, to the level of the people who share a common interest around which they effect action for large groups of people. By forming and joining associations, Americans are casting a sort of ballot about the issues which are important to them, their families, and their communities.

Martha observed that “Philanthropy is changing in ways we don’t even know yet.”

She referenced the convergence of technology and philanthropy, and cited the emphasis on business acumen and the drive for measurement. These contemporary evolutions in the thinking of philanthropists have also introduced some different methods of making grants, or investments, to nonprofit organizations. Some foundations are making loans and issuing bonds, all with the emphasis on mission-related investments.

Again, referring to Martha Choe’s observations, I was interested in the mention of *advocacy* as a philanthropic tool. Her thesis is that government spending in some fields is so vast, while private and foundation spending is so tiny in comparison. That encouraging advocacy on the part of grantees to influence public policy as it impacts the ones they serve, may be a very valid means of promoting change.

These current tech-driven models involve a degree of risk in grant making, to improve service and promote innovation. They also require an expansion in donors' tolerance for risk. To some degree, I believe that risk taking has an important place in philanthropy. Change and improvement is the legacy we hope for. Change carries risk and we cannot truly innovate without it.

Technology and the internet are huge change agents in all aspects of our lives. Certainly, they open new avenues for donors to participate in and drive change. The web enables small donors to be philanthropic. They can easily make donations, in minutes. But, in many cases, they can also be decision-makers, voting on how the collective money will be spent. The web offers donors many avenues to be actively involved with their philanthropy.

A book published in 2012 is full of examples of this very transparent form of giving. Written by Laura Arrillaga-Andreessen, it is called "Giving 2.0" and gives insight into web-energized collective giving. Laura talks quite a lot about women philanthropists and collective giving in her book.

Which now brings me to WWF and the role we have played in this ever-evolving philanthropic scene. As I said, Dr. Arrillaga-Andreessen's book was written in 2012, while WWF was founded in 1995. Social Venture Partners, another innovative Seattle model, was also started in the late 90's. Somehow, the Northwest and its culture of innovation was on to something at that time.

I believe there are many reasons why this model has become so popular among women. Some reasons may include: Women are eager to learn about philanthropy to inform their own giving, but also, to work with other similarly motivated women. Women, generally, are not put off by shared decision making and see the collective model not as a loss of control, but as a means to greater impact.

Learning is an important part of the model. Not only learning about specific grantee partners, but learning about the broader range of needs and opportunities in the community and the world. Learning about the craft of grant making, and the strategic and impactful effects of venture philanthropy, is an on-going educational process.

My own opinion is that an organization like WWF is superbly democratic. Each member has one vote. Each has contributed the same amount to the pooled fund. Each has equal opportunity to participate in grant reviews, Discovery Days programs, and field trips, at whatever level of time and interest she has to give. This may be why such organizations bloomed first, here. They are particularly "western" in their democratic approach.

Before I wrap up, let's look at some lessons learned over this meander through our local history.

We can look to the past for inspiration for the future.

There are new ways of solving old problems; some involve new ways of measuring success, new ways of supporting change.

Much philanthropy continues to be reactive, that is, providing help for immediate needs, especially with respect to homelessness, poverty and disease.

A pro-active approach to eliminate root causes of the scourges of human health and destruction of our natural environment is of long term interest to philanthropists and social entrepreneurs. The business models and strategies and measures for impact assessment are evolving.

It brings back Martha Choe's remark that "philanthropy is changing in ways we don't even know yet."

Evolution of philanthropy in our community continues. The sources of wealth, the motivation to civilize a wilderness, build a city and its institutions, endow future operations, and welcome new ideas and donors to our philanthropic world continues apace.

Women have always played roles, often leadership roles, in all the stages of this evolution. But women have changed too. Many more are professionals who have the confidence to make bold decisions. Many have created their own wealth and the freedom to use it. They want to influence the future.

So, let us celebrate WWF for the unique role it plays right now.

For ourselves, let's remember that "Success has many mothers."

We have changed philanthropy. We have improved thousands of lives. We have raised over \$19 million. We have partnered with 88 grantee organizations with large impact grants from the Pooled Fund. We have developed measurements for assessing success. We have educated hundreds of women to develop their own giving priorities.

And, the impact of WWF just keeps growing.

In 2014, the Foundation will once again deploy one million dollars, including five impact grants of \$100,000 each. This will raise the total grant making for WWF to over \$14 million.

Imagine the effect on the future. Imagine how you can personally be involved.

Experience Philanthropy!

Thank you!