

## **Embracing philanthropy's quirks:** *Published in Probono News, 25 May 2017*

By Fiona Higgins

We all know that philanthropy is a unique beast: it's nimble, responsive and, as one of Australia's leading evaluation experts, Dr Squirrel Main, told an APS audience earlier this year: 'Philanthropy is totally cool.'

But philanthropy's coolness is often defined by what it is not, namely: it's not a government pot of gold, it's not a form of strings-attached corporate support, it's not the piecemeal and hard-won funding from the public.

Now that we've defined what philanthropy isn't, how best do we describe what it is? I suspect that if philanthropy could embrace its quirks, we might spend less time theorising about unreachable goals for 'strategic philanthropy' and more time focusing on what is practically achievable. More importantly, charities could reduce unnecessary wastage of time and money in trying to craft winning funding applications.

In my experience working with large and small foundations alike, private philanthropy is often:

1. **Personality-driven.** The source of most philanthropic funding is people – whether they're self-made entrepreneurs, fourth-generation inheritors of family wealth, or representatives of ancient and seemingly unreachable trustee companies. These are real people, with the passions, foibles and prejudices of non-philanthropists. So, while the 'industry' sits around philanthropy conferences theorising about frameworks, strategies and systems for 'best-practice' philanthropy, the reality is, adoption of the same is often highly dependent upon the personal disposition of founders, Chairmen, directors, sub-committees and staff.

2. **A reflection of lived experience rather than community need.** Related to #1, this applies particularly in the early years of a foundation's operation, where philanthropic goals and strategies tend to evolve out of lived experience rather than objective analysis of community need, e.g. 'my sister committed suicide', 'my mum died of cancer', 'I saw disadvantaged children on my trip to Ethiopia'. While philanthropy is often characterised as an activity that mobilises both head and heart, in my experience it's almost always heart-led (at least, initially). Even where significant evidence of community need is presented in a strong case for support, it's unlikely to fly unless there's a personal stake in the partnership.

3. **Fuelled by instinct.** Whether we like to admit it or not, many judgements and decisions in philanthropy are predominately formed by gut instinct. Or, in the words of a great (older) friend of mine in philanthropy: does the charity smell right? This is especially so when a foundation is too small to employ staff or implement formal processes or systems. Founders, directors and family members associated with foundations often deploy the one resource available in their otherwise busy lives: their instinct. Similarly, emotion and coincidence play a significant role – what do I care about? Who do I know? Which organisations do I happen to encounter or learn about on my journey? For charities, this is a quirk of philanthropy for which it is hard to plan or sidestep.

4. Governed (mostly) by male, conservative boards. Private philanthropy has traditionally been powered by the prodigious success of (mostly) male money-makers, who are often A-Type individualists positioning themselves on the right side of the political spectrum – a cohort that was named by a speaker at the 2017 Generosity Forum as ‘white, right and uptight.’ Of course, there are some spectacular exceptions to this rule (the Reichstein

Foundation or the Darin-Cooper Foundation, for example), but it’s useful to remind ourselves of philanthropy’s baseline constituency when we call for more ‘collaborative philanthropy’ or ‘social inclusion’ or ‘discussion of failure’ across the sector. Such language may seem anathema to many of the sector’s more conservative boards. (For larger philanthropic foundations, this is less of an issue - see #5).

5. Staffed by female progressives. Oddly enough, when foundations reach a size that warrants appointment of staff, conservative male boards tend to appoint progressive female staff (sometimes even the daughter or granddaughter of the founder!) This delivers a useful creative tension – whereby staff members often research and recommend projects well beyond the board’s natural disposition and experience. This is marvellous thing, and a defining quirk of the sector – it certainly wouldn’t happen in corporate Australia. Accordingly, wherever possible, charities should cultivate relationships with foundation staff - and well in advance of sending funding enquiries their way.

6. Under-resourced. With very few exceptions, foundations do not adequately resource their own activities. While often prepared to fund capacity-building in the non-profit sector, foundations regularly fail to self-invest (usually for the laudable reason of ensuring the bulk of funding flows to the NFP sector). Accordingly, foundation representatives (at all levels) can be overcommitted and pushed. Charities should be mindful of this when attempting to cultivate relationships – foundation representatives often have very limited time for meet-and-greet coffee catch-ups, which means charities must develop these relationships incrementally, over a longer period than is perhaps desirable.

That’s just six of private philanthropy’s defining quirks. Detractors say these make philanthropy arbitrary, conservative and impenetrable, accessible only to the well-connected. At its worst, yes. But at its best, philanthropy is a creative, passion-filled and experience-led endeavour that’s refreshing, in a world driven almost exclusively by economics.

If we can acknowledge these quirks of philanthropy – rather than expend our energies mourning an idealised notion of how philanthropy ‘should’ behave – then we can get on with the business of pragmatic philanthropy. That’s a nimble, responsive, warts-and-all philanthropy that may not conform to industry aspirations of ‘strategic’, but is nevertheless highly valuable to its end-consumers – the non-profit sector, without which philanthropy would be rudderless.

Philanthropy can and should keep behaving in quirky – almost magical – ways, like no other source of funding.

And that, I’d have to agree with Dr Squirrel Main, is pretty cool.