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Thoughts on Open Grantmaking

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MIT



Overview

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- Background / 100 & Change
- Context
- Openness
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News

- Registration opens April 30 for 100&Change, which will award \$100 million in 2020
- Applications are due by August 7
- Other competitions underway, e.g. Chicago Prize (\$10mm)
- New organization: Lever for Change
- Updates at www.Leverforchange.org



Lever for Change

- “Unlocking philanthropic capital and accelerate social change around world’s biggest challenges”
- Funded by MacArthur for the next Four years
- Operating 100&Change, Chicago Prize, and other prize competitions tba
- Designed as public asset serving donors and non-profits
 - provide donors with the expertise, infrastructure, and day-to-day support to identify the best ideas and solutions that align with their interests and passions, often through competitive calls
 - help non-profits create plans and projects that are fundable at the \$10 million level and above



Background: 100&Change

- 1904 applications, 800 Qualified Applicants, 8 Semi-Finalists, 4 Finalists, One main award
- \$145 Million from MacArthur
- \$254 million in follow on funding from other sources

- Applications Addressed every Sustainable Development Goal
- More than 50 Countries
- 46% (86) of Top 200 proposals were from universities



Context

- Concentration of wealth
 - 190 billionaires have signed the Buffet-Gates Giving Pledge
 - Collectively committed >\$1 Trillion
 - average age: 68, Average Payout <2%,
- Allocating these funds more effectively is challenging
 - finding the opportunities
 - Some donors working with little or no staff
 - reputational risk
- We're pursuing one approach based on larger awards, open processes, and collaboration Developed during first round of 100&Change



Openness (I)

- “Traditional grantmaking, whereby individual groups or people apply for pools of funding through a linear, all-or-nothing process, is inefficient, wasteful, and opaque to applicants and other outsiders.
- “...of the more than 87,000 active independent, community, and corporate foundations in the United States, 70 percent do not accept unsolicited proposals. ... 41 percent of the roughly 1,200 largest US foundations, accounting for more than \$600 billion in assets, do not accept unsolicited proposals.”
 - (Bradford Smith, An Open-Data Approach to Transform Grantmaking, Stanford Social Innovation Review (2018)
https://ssir.org/articles/entry/an_open_data_approach_to_transform_grantmaking)



Openness (II)

- “What if nonprofit proposals could come from a wider pool of candidates and be easily screened, mined for ideas, linked to related information, and shared with the world?”
- “In MacArthur’s 100&Change competition, Foundation Center saw an opportunity to explore how philanthropy’s grantmaking process could be transformed in a way that would focus the field on generating and sharing knowledge, rather than simply getting and giving grants.”
 - (More from Bradford Smith, President, Candid (formerly the Foundation Center))



Openness (III)

- Foundation Center Solutions Bank
 - 1800+ proposals
 - 100andchange.foundationcenter.org
- Other Projects to re-evaluate what we received
 - Center for High Impact Philanthropy
 - Charity Navigator
 - Stanford Center for Philanthropy and Civil Society
- Challenges to Openness
 - Applicant response
 - Candid Reviewing
 - Noise
 - Legal issues





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THANK YOU

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