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Reimagining Institutional Philanthropy
By Alison Powell, Willa Seldon & Nidhi Sahni

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Reimagining Institutional Philanthropy

Historic growth in wealth globally and the rise of new philanthropists threaten the relevance of institutional philanthropy—while creating new opportunities for impact and influence.

BY ALISON POWELL, WILLA SELDON & NIDHI SAHNI

Throughout the 20th century, large US institutional foundations such as the multiple Carnegie foundations, the Ford Foundation, and The Rockefeller Foundation played an outsized role in philanthropy. By virtue of their large share of the philanthropic

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marketplace, these institutions were able to shape the thinking of policymakers, attract social innovators, and exert influence to bring together the private sector, government, and civil society. As a result, they played a vital role in underwriting social change: They helped to eradicate polio in the United States and then across most of the world; they provided 96 percent of Americans with easy access to free libraries; they helped to reduce smoking in the United States by more than 60 percent; and they promoted a “green revolution” that dramatically increased agricultural production.¹

But as a consequence of unprecedented worldwide wealth accumulation and the rise of new philanthropists over the last two decades, the largest US institutional foundations (by which we mean independent foundations where the original donor is no longer alive, or, if the donor is living, where there is a substantial staff and other infrastructure to manage the giving) no longer dominate the philanthropic marketplace.

The share of giving that belonged to the largest institutional foundations in the late 20th century has declined precipitously. Consider

how much the landscape has changed: The top 10 foundations in 1993, which together accounted for 15 percent of foundation giving, by 2014 accounted for only 4 percent.² Moreover, of the top 10 US-based philanthropies in 1993, only two remained among the top 10 in 2014. More capital is also flowing through other structures, such as LLCs and donor-advised funds, meaning that the decline is even steeper than these statistics indicate. (See “New Models of Philanthropy Are Challenging Traditional Giving Patterns and Traditional Structures.”)

US institutional philanthropy's share is likely to continue to wane. New capital is coming online. More than 180 wealthy donors (with an estimated net worth of nearly \$1 trillion—and rising) have pledged to give away at least half their wealth, meaning that at minimum \$500 billion will flow to established charities or new foundations in the coming decades. Wealth creation is also accelerating outside the United States, with nearly a quarter of global billionaires now residing in China or India. Today, US institutional foundations are far from the only ones with the influence and infrastructure to deploy private philanthropic capital globally.

This decline in market share is compounded by a sense that institutional foundations are not living up to the full potential of the assets and influence they do have. A recent study by the Center for Effective Philanthropy (CEP) indicates a wide gap between aspirations and impact: 67 percent of foundation CEOs surveyed believe that philanthropy has the potential to make a significant difference in society, yet only 17 percent believe it is doing so. Most of these leaders report that the problem has a lot to do with how philanthropies are operating. Although about half of the foundation leaders surveyed pointed to external challenges, two-thirds cited internal challenges, such as a lack of agreement on goals, having too many goals, unclear decision-making structures, or fear of failure, as especially significant barriers to achieving impact.³

The relative stasis has been part of the problem. Clara Miller, president emerita of the F. B. Heron Foundation, notes that “[foundation] endowments create a certain amount of insulation from the market economy” and cautions foundation leaders not to get stuck in “fossilized thinking” as the rate of change in society accelerates.⁴ Nancy Roob, president and CEO of the Edna McConnell Clark Foundation

(EMCF) and the CEO of Blue Meridian Partners, agrees: “The fundamental structures and operating models of foundations haven’t changed much over the last several decades. This is largely due to the combination of no outside force requiring them to change and few variations on the basic operating model to inspire innovation.”

We have worked with a number of institutional foundations, including some discussed in this report, and we believe that because they retain distinctive assets for tackling many of society’s toughest problems, they can (and will) wield significant, even outsize, influence in the years ahead. Because they are often structured in perpetuity, many institutional foundations possess a long time horizon, an approach many newer donors eschew. “Many funders set up initiatives that they leave in place for five or 10 years,” says Carol Larson, president and CEO of The David and Lucile Packard Foundation. “But you need time horizons of 15 years or more to really make changes that can stick.” Darren Walker, president of the Ford Foundation, echoes the importance of time: “I can think of two initiatives for which we’re just fully understanding their impact 15 years later. One achieved a lot and the other didn’t

New Models of Philanthropy Are Challenging Traditional Giving Patterns and Traditional Structures

Over the last two decades, the nation has seen an astonishing growth in wealth among the very rich. The wealth of US billionaires grew an average of 11.5 percent annually between 1997 and 2017. In 2018, roughly 2,000 households are worth \$500 million or more, with a collective wealth of \$4.2 trillion.¹⁹ In the United States, both individual and foundation giving have increased significantly over the last several decades.

As new wealth within the United States and across the world flows to philanthropy, the philanthropists themselves are changing. New philanthropic leaders—living donors—are often self-made entrepreneurs and investors who bring an aggressive, innovative orientation to their philanthropy. As David Callahan, founder of the website *Inside Philanthropy*, told *The New York Times*, “They have a problem-solving mentality rather than a stewardship mentality.”²⁰ These “impatient optimists” are often willing to experiment, write big checks, and be disruptive in their approach.

Many of these philanthropists do not want to be constrained by foundations endowed into perpetuity, requiring 5 percent annual giving and usually parsed into a broad range of issue areas staffed by a cadre of program officers (who they then need to manage). For example, donor-advised assets jumped from \$57 billion in 2013 to \$110 billion in 2017, with a growth rate of nearly 20 percent annually.²¹

Some donors, often driven by a desire to circumvent the bureaucracy of institutional philanthropy, are creating leaner organizations. For example, Herb Sandler, who, with his late wife Marion, founded and led Golden West Financial Corporation until its sale to Wachovia Bank, chairs the Sandler Foundation, which gives away \$50 million a year with fewer than five staff members. He does this largely through a small number of large gifts to organizations. Other common strategies include relying more on outside advisors than on staff or setting up independent organizations to carry out activities.

Living donors are also increasingly willing to forgo the tax benefit of putting funds into a foundation and are embracing alternative legal structures that enable both for-profit investing and nonprofit giving, or giving to political donations and advocacy. These structures include limited-liability companies (LLCs, which allow for greater control of funds and stocks, diversity of investment options, and more privacy than a foundation) and the 501(c)(4) structure (which allows social welfare organizations to participate in political campaigns and lobbying while maintaining their nonprofit status). For example, the Chan Zuckerberg Initiative, the Omidyar Network, and the Emerson Collective (run by Laurene Powell Jobs) have all set up LLCs to allow for advocacy or impact investing. Even a more traditional institution, the Walton Family Foundation, has set up multiple 501(c)(4)s to support its focus areas.

Living donors who have opted not to create perpetual, staffed foundations may go their own way, but they also may lean on longstanding foundations for inspiration and guidance, creating an important potential new way for institutional philanthropy to have influence.

come close to expectations. But we're only really learning that now."

Two other key institutional assets are knowledge and relationships built around that knowledge. In his 2017 book *Putting Wealth to Work*, Joel Fleishman notes that institutional philanthropy has been "collecting, testing, and refining the knowledge relevant to their respective missions, preserving and enhancing the utility of that knowledge, and passing it along to future generations."⁵

The great flux in the philanthropic sector, evidenced by the declining share of institutional philanthropy as well as the emergence of new, innovative giving vehicles, could be the kind of outside forces that will cause large institutional philanthropy to change. Another force for change is the growing interest in big bets. More foundation CEOs are willing to take greater risks and concentrate more of their resources into compelling opportunities. But they are also finding that the realities of how many large foundations have traditionally worked are often at odds with what it takes to successfully deploy a big-bet approach.

How, then, can institutional foundations build upon historic accomplishments and current assets, despite a relative decline in financial influence? What ways of working most need to change? What approaches will help shift these deeply ingrained practices? These and similar questions are being widely discussed in the field, including the FSG report "Being the Change: 12 Ways Foundations are Transforming Themselves to Transform Their Impact"⁶ and Rockefeller Philanthropy Advisors' "Frameworks for Private Foundations: A New Model for Impact."⁷

FOUNDATIONS' TRADITIONAL PRACTICES STAND IN THE WAY

US institutional foundations' declining share of overall philanthropy, like an outgoing tide, has exposed significant problems in the way they operate. When we examined our interviews with more than a dozen foundation leaders, The Bridgespan Group's numerous client engagements with large foundations over the last several years, and our synthesis of our research and that of others, we consistently identified the same set of operating norms as barriers to foundations achieving their impact aspirations.

Fragmented giving | Most large foundations spread their giving over a sizeable number of issue areas. Among the 50 largest US foundations, the median number of issue areas in which they invested in 2014 (the most recent data at the time of our analysis) was 10.⁸ Even in its

largest giving area, a large foundation's giving is a median of just 3 percent of all foundation giving in that area. A handful of the largest foundations do have a substantial market share in their areas of greatest interest, but for the typical large foundation, its giving represents only a drop in the overall philanthropic bucket, even in its area of greatest investment. Grant sizes are typically fairly small and spread across a large number of grantees. Those same 50 foundations, which gave away a median of \$120 million in 2014, funded a median of 265 grantees that year, with a median annual grant payout of approximately \$180,000.⁹

Spreading resources this thin can be a problem for both foundations and grantees. Although it enables funders to support many grantees, it also means that too few grantees receive the kind of concentrated, longer-term financial support and nonfinancial assistance that could help propel them to greater impact. Having so many grantees also means that foundation staff typically spend a lot of time on proposals, approvals, and reports, but less time working with their grantees and reflecting on what they have learned. A CEP report finds that, when asked for top challenges they face in providing support to grantees, 64 percent of foundation leaders noted "a lack of internal staff capacity or time" as a top challenge.¹⁰

Rigidity in budgets and structure | As opportunities for impact emerge, large foundations often find themselves challenged to respond. Foundation executives report being frustrated by the lack of budgetary flexibility to make big bets, especially if they fall outside or across existing program areas. Foundations typically have relatively fixed annual budgets allocated across a set of program areas. Usually portfolios are managed by a program officer, each with many grantees (a median of 36 in large foundations).¹¹ This structure of program areas and portfolios creates a sort of natural rigidity.

"Most foundation presidents or boards in theory would want their program directors or officers—if they realized what they've been trying isn't working—to reallocate or migrate their work," says Daniel Stid, director of the Hewlett Foundation's Madison Initiative. "But in practice, given the work that staff have done to develop the lines of grantmaking and the resulting personal and institutional relationships, it is highly abnormal to do that kind of repurposing." The result is that foundations, theoretically among the most flexible institutions for allocating money to social change, are typically quite constrained in their ability to shift resources, especially in a way that

enables larger gifts and/or more concentrated portfolios.

Being overly prescriptive about strategy |

While there are times when foundations do (and should) manage detailed initiatives of their own creation, philanthropy is generally about underwriting the work of others outside the foundation. Yet, the structure of many large foundations can make it hard to invest heavily in strategies that do not come from the foundation and its program staff or that do not have the foundation at the center. Clara Miller of Heron likens the structure to a terrarium, meant to be "protective and separate."¹²

Indeed, CEOs of large foundations report significant challenges in collaborating and cocreating with external partners—grantees, communities, and sometimes other funders—in a way that supports their foundation's own goals but gives staff less direct control over the strategies and activities being funded. The desire for this kind of control is natural. At times, Bridgespan has been complicit in helping foundations develop highly specific theories of change that result in treating grantees like contractors. But for foundations that underwrite the work of others, being overly prescriptive about strategy leaves the change-makers with full accountability and insufficient authority.

One contributor is the historical emphasis on issue-area expertise among foundation staff. Our analysis of the largest foundations indicates that 80 percent of program officers have expertise in at least one foundation issue area.¹³ Such expertise brings many benefits, including enhancing program staff's ability to develop strategies, as well as identify and vet grantees. But that expertise can often be removed from the firsthand experiences of nonprofit and community leaders and organizations. As Alison Corwin, senior program officer at the Surdna Foundation, writes: "Fundors do not always see that the lived experience of many powerful frontline and grassroots leaders is what makes them experts. Their expertise might not fit neatly into a box that funders can check off, and they may not agree with funders' ideas or strategies."¹⁴ Don Howard, president and CEO of The James Irvine Foundation, notes that the traditional "expertise-driven strategy often takes leadership away from nonprofit and community leaders."

THREE APPROACHES FOR REIMAGINING INSTITUTIONAL PHILANTHROPY

In recent years, we have seen several traditional foundations make dramatic breaks from past ways of work. Some are doing so by moving

towards a big-bets approach and committing significant resources to tackling a well-defined problem. We define big bets not merely as one-shot large grants, but commitments that require focus on a targeted set of outcomes connected to time-bound milestones, as well as identifying a set of leaders who are entrusted with these outcomes. Big bets can be driven by one philanthropy or by a collaborative venture; similarly, they can be granted to one organization or many.

One prominent example of such a dramatic break is the John D. and Catherine T. MacArthur Foundation, the 12th-largest private foundation in the United States. MacArthur announced in 2015 that it would work primarily through programs that were larger in scale, time-limited in nature, with a specific transformative goal in mind. In line with the foundation's mission of a world that is more just, verdant, and peaceful, current program priorities are criminal justice reform, climate solutions, and the reduction of nuclear threats. "The decision to narrow our focus was pragmatic," explains MacArthur President Julia Stasch. "Too many priorities diluted the investment and impact of all of them."

MacArthur's approach is emblematic of three tactics that are being increasingly embraced by the leaders of influential foundations: setting time-bound, right-sized goals;

building in the flexibility to concentrate or shift resources; and ceding control of strategies. We want to acknowledge that these approaches (and the big bets they often set the stage for) are certainly not the answer for every philanthropic effort to achieve social change. Some foundations (including many global funders operating within less developed NGO fields) choose to directly operate their own programs. Others have decided that supporting a very broad range of grantees in the areas in which they work is the best way to have impact. Ford's Darren Walker cautions that it is not always the size of the investment that matters: "I've learned that getting the right ecosystem in place enables grantmaking to sustain its impact—and helping build that ecosystem doesn't always involve a big bet."

Setting time-bound, right-sized goals | While ambitious, long-term goals should continue to offer compelling north stars, pairing these aspirations with clear, measurable milestones and "right-sized" resources enables leaders to understand how their strategies are faring and where they may need to adapt. This approach is sometimes described as taking on challenges that are "big enough to matter, but small enough to win." The practice, however, is far from widespread. Our analysis found that although more than 90 percent of large

foundations identified ambitious, aspirational goals, only 10 percent publicly announced a clear, winnable milestone within their leading program areas.¹⁵ There is a need for more "middleware" between the big vision and the individual grants. As Larry Kramer, president of the William and Flora Hewlett Foundation, says "This means making long-term commitments, while leaving room for goals and strategies to adapt and change with the times."¹⁶ This can come in the form of shorter-term, measurable goals that provide critical handholds over the long arc of change that is so often required in philanthropy.

Setting a strategy that involves clear goals and concrete, public milestones requires a substantial shift from managing a portfolio to pursuing specific, measurable impact. Foundations must grapple with how to identify those milestones without tamping down long-term ambition. Consider the experience of The James Irvine Foundation. In March 2018, when Irvine announced its Better Careers initiative, which seeks to help 25,000 low-income job-seekers in California secure employment that pays at least \$18 per hour, it was tackling a piece of a much larger problem by setting a goal and time frame that, in the words of Irvine's Don Howard, was "not so long as to be irrelevant and not so short as to

How Can I Adapt My Foundation?

Foundation leaders who have dramatically changed their institutions' core ways of working did not undertake this process lightly. All of the officials we interviewed acknowledged that it took a major change-management effort. Many of the success factors cited by leaders would be true for any major change initiative: a compelling reason to change, a driven leader, deep board support, a cohort of internal champions, early wins, and a decisive public commitment once a decision was made. Before diving into any major change process, determine that these factors can be put in place.

To understand whether or not the specific types of shifts outlined in this article could create opportunity for your institution, we suggest a few questions for reflection.

On setting time-bound, right-sized goals:

- What are the most important but realistic impact goals that any of our strategies could achieve, and what near-term milestones will help us determine whether we are on track?
- Are our program staff implicitly rewarded based on the number or amount of grants disbursed? Do we have sufficient processes in place for rewarding program staff for progress toward the foundation's biggest impact goals?
- Can board members articulate our concrete goals and do they

understand how our work will achieve them? Do board meeting agendas reflect our priorities?

On building in flexibility to concentrate or shift resources:

- How does our foundation allocate funding across giving areas and grantees? Does it take into account relative opportunities for impact?
- When is the last time we made significant shifts in allocations across programs? To what extent are we locked into historical allocations?
- How would we allocate our funds differently if our budget was doubled? Or halved?

On ceding control of strategies:

- Is there a short list of grantees (within a program portfolio or across program areas) whose work is crucial to the impact we envision? Is there more we can and should do to set those grantees up for success? Could a big bet enable them to dramatically accelerate their results?
- Are we being appropriately deferential to these core grantees on matters of strategy, or is our strategy dominating in a way that could take them off course?
- Who else is active and influential in the spaces we are working in—other funders, intermediaries, nonprofit leaders? Could our work complement theirs? Are there partnerships that could accelerate achieving social impact?

be unachievable.” He notes that initially, this goal, because it addresses a small proportion of Californians in need, felt smaller to staff and the board than past broader goals. Pursuing it required significant change management, most critically, redefining our accountability to ensure the grants could support nonprofits to effectively reach the targets. The board’s role also needed to change. “We needed to move toward longer commitments of funding for our initiatives; commitments that our grantees can count on, providing that progress is on track,” Howard says. “We will protect those resources in a downturn. This means we can now review a rolling five-year grantmaking plan with our board—with a special focus on the core grantees of each initiative.”

Building in flexibility to concentrate or shift resources | Foundation leaders are also using a variety of ways to build in flexibility. One strategy is to disrupt programmatic silos. For example, the MacArthur Foundation has been moving away from a traditional program structure (issue-areas staffed solely by experts) to cross-disciplinary teams. “Our teams bring program staff, communications, evaluation, and legal staff all together, and impact investing where relevant,” explains Julia Stasch. “Each team has internal advisors from other areas of the foundation as well, playing the role of critical friend.”

Another way that some foundations create flexibility, while continuing to be organized mainly around issue areas, is by keeping a significant portion of total funding unallocated to specific program areas. This allows for a larger investment in initiatives that can produce greater impact than the typical large foundation’s median \$180,000 annual grant payout, and allows a foundation to respond to new challenges and opportunities without having to disrupt its existing structure. The Ford Foundation, for example, keeps 10 to 15 percent of its budget as discretionary. “Otherwise, we have to extract resources from program areas,” said Ford’s Darren Walker. “But it is very painful to do that. Recently, we made a significant bet on [social justice advocacy], and we needed additional resources. Rather than claw it back from the programs, I went back to the board and they approved an additional \$25 million above budget.”

If foundations can keep from having all their money locked into program silos and create the ability to make decisions across program areas, then they have more flexibility to pursue new opportunities and powerful ideas—to think anew from time to time, rather than be trapped by their historical giving patterns and budgets.

Ceding control of strategies | There will always be a place for foundation-driven strategies. But a number of foundations—impressed by the extraordinary vitality and strong track records of some of the sector’s strongest organizations—are listening harder to what is happening in the fields in which they work and giving more creative control to grantees, donor collaboratives, and other stakeholders such as policymakers and researchers and even the beneficiaries they aim to serve. Howard explains that for Irvine this has meant “sourcing our best ideas outside the building, taking cues from grantees and the low-wage workers they serve, and having a user-centered design.”

One of the most common ways that foundations do this is directing larger amounts of capital toward high-performing organizations in order to carry out strategies that are already aligned with the foundation’s own goals. Sometimes this involves scaling the work of individual organizations. Other times, foundations work to build fields through targeted investments in intermediaries who have the autonomy and discretion to direct resources. Often this approach involves giving unrestricted or loosely restricted grants, multiyear funding, and making larger grants to a smaller number of grantees.

Beyond the details of grant size and structure, this approach is also likely to require rebalancing the power relationship between the foundation and grantee, with the grantee largely owning both the strategy and its execution. The “bet” in big bet will often mean that the foundation needs to cede control and put a great deal of faith in a grantee, or group of grantees, to achieve the desired impact.

For some foundations, making this shift may require a change in the kind of staff it needs, with fewer issue-area experts and more generalists that possess strong leadership and management capabilities. This was the case for the Edna McConnell Clark Foundation. CEO Nancy Roob explains that when the foundation moved to a big-bet strategy (focused on investing in grantees with the capacity to significantly expand the reach of their own powerful solutions), “we shifted to generalist talent from content experts. Once we did this, it freed us. We now have people who have run businesses, managed teams, and are great at thinking about delivering results.” The foundation complemented this generalist model with a subject matter and evaluation advisory board, which integrates content expertise and enables them to stay connected with field leaders.

Another way foundations support the strategies of others is by participating in funder collaboratives. Recently, a number of aggregated capital funds have emerged to support funders in giving to causes they care about. Approximately 70 percent of the 40 largest US-based aggregated funds have launched since 2000, including The END Fund in 2012, Blue Meridian Partners in 2016, and Co-Impact in 2017.¹⁷ These collaboratives are bringing together traditional foundations such as Margaret A. Cargill Philanthropies, Hewlett, and Rockefeller with a new generation of donors who are giving while living.

With growing recognition of the importance of constituent input, funders also have the opportunity to cede control to the very communities they seek to serve—by engaging in participatory or community-led grantmaking. These approaches range from ensuring that diverse and representative sets of community members have board seats or participate in strategic planning, to shifting power completely, where decisions on the allocation of resources would be made at the discretion of community members.¹⁸

INSTITUTIONAL LEADERSHIP IN THE 21ST CENTURY

Given the dramatic wealth accumulation in recent years and the increasing social challenges we are facing as a global community, the time has never been more right for the type of philanthropic institutions that led dramatic change in the 20th century to provide leadership in the 21st.

Pioneering institutional foundations and their leaders are already laying the tracks. Take, for example, how Blue Meridian, which is not endowed, uses a big-bets strategy that builds on EMCF’s historic expertise to aggregate capital in a way that engages newer philanthropists and helps them give with confidence without having to build large new foundations of their own. Consider as well the moral leadership some foundation presidents are offering other donors in these challenging times, such as Hewlett’s Larry Kramer, with his call to fund climate change, and the exhortation by Ford’s Darren Walker to donors that “giving back isn’t enough” and urging them to seek justice in addition to generosity with their giving.

There are clearly both individual and collective leadership opportunities for these institutional foundations, despite their declining share of US and global philanthropy. Making change is never easy, and, as it has always been, excellence in philanthropy is self-imposed. The challenges of our times, however, demand that we change with them.

By identifying areas ripe for change within their organizations and pivoting where necessary, institutional foundations can not only deploy their funds more effectively, but also may be able to influence and partner with others even more productively, ultimately propelling much-needed social change efforts toward making the world a more just and prosperous place. ●

NOTES

- 1 Susan Wolf Dittkoff and Abe Grindle, "Audacious Philanthropy," *Harvard Business Review*, September-October 2017.
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- 10 Ellie Buteau, Charis Loh, and Temitayo Ilegbusi, "Strengthening Grantees: Foundation and Nonprofit Perspectives," *Center for Effective Philanthropy*, 2018.
- 11 Based on a sample of 38 of the 50 largest foundations (by total grantmaking) that was selected based on availability of program staff information.
- 12 Miller, "Building a Foundation."
- 13 Based on a sample of 38 of the 50 largest foundations (by total grantmaking) that was selected based on availability of program staff information.
- 14 Alison Corwin, "Philanthropic Leadership Means Following the Frontlines," *Stanford Social Innovation Review*, October 10, 2018.
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- 18 Grantcraft has developed a series on Participatory Grantmaking: <http://www.grantcraft.org/content-series/participatory-grantmaking>.
- 19 Wolf Dittkoff, et al., "Four Pathways."
- 20 David Gelles, "Giving Away Billions as Fast as They Can," *The New York Times*, October 20, 2017.
- 21 "2018 Donor-Advised Fund Report," *National Philanthropic Trust*, <https://www.nptrust.org/reports/daf-report/>.

Profiles of Big Bets

These five examples of large investments demonstrate the enormous impact they can have on the world's most pressing problems.

\$211 Million to the Climate and Land Use Alliance

Climate change is among the most daunting social problems for philanthropists to address. The issue is global in scale, involves a very large number of stakeholders and regulatory environments, and must take into account the continually evolving scientific understanding of how to slow climate change and help communities and countries adapt to it. Even the biggest big bets from individual funders may seem insufficient to make a dent in the problem.

Since 2010, the Climate and Land Use Alliance's (CLUA) five main funders (Margaret A. Cargill Philanthropies, ClimateWorks Foundation, the Ford Foundation, the Gordon and Betty Moore Foundation, and The David & Lucile Packard Foundation) have committed more than a half a billion dollars to a set of common strategies, with \$211 million of that total coming in 2018. Outside of their CLUA work, these funders pursue climate action with different strategies. For example, one strategy focuses on indigenous rights and another on deforestation. But in CLUA, the funders are taking advantage of an opportunity to come together around a shared belief in land use as a climate change mitigation strategy.

Though the "natural technology" of forests is currently the only proven means of removing and storing atmospheric carbon dioxide at large scale, forests and lands receive only 3 percent of climate action funding, according to a 2018 statement from CLUA.¹ The Alliance supports work in three main locations (Central America, Brazil, and Indonesia) and focuses on engaging and building partnerships among governments, indigenous communities, corporate supply chains, and the general public to strengthen land use efforts. Among its results to date, CLUA has been able to convince some of the world's largest paper- and pulp-manufacturing companies to make zero-deforestation commitments. CLUA demonstrates how collaborative

philanthropy can bring together funders with different strategies but a common overall goal in order to focus large investments on a complex issue.

Big Bet to the Bail Project (total grant size not public)

With 655 people imprisoned for every 100,000 residents, the United States has the world's highest rate of incarceration. On any given day, nearly 500,000 people are in jail despite not having been convicted—merely because they cannot afford to pay bail (often only a few hundred dollars) as they await trial. The bail system ends up incarcerating low-income people almost exclusively, disproportionately affecting communities of color. Time spent in jail leads to lost jobs, lost custody of children, jeopardized immigration status, and risk of assault. On average, those who stay in jail are four times as likely to be sentenced to prison, and these sentences are three times longer than sentences for those released on bail.

The Bail Project is a national effort to disrupt the bail system, providing immediate support to tens of thousands of low-income people while reimagining a more just and equitable alternative. The organization grew out of the Bronx Freedom Fund, which experimented with a model of bail assistance that recycles philanthropic contributions in a revolving fund. The results are impressive: Under the Freedom Fund's program of court reminders and voluntary service referrals, 96 percent of clients returned for their court appearances, 50 percent of cases were dismissed, and less than 2 percent of those for whom bail was paid received a jail or prison sentence.

In 2017-2018, the Bail Project received a big bet from the Audacious Project, a collaborative approach to funding big ideas with the potential to create change at scale. The Bail Project plans to use the investment to build on its success in the Bronx and build an organization to support a national network