MacArthur Foundation Supplement
Seeking Both Problems and Solutions
By Jeff Ubois
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Over the last three years, thousands of applicants, project judges, individual funders, and foundation staff have contributed time, money, attention, and work toward the John D. and Catherine T. MacArthur Foundation's 100&Change, a global competition seeking bold solutions to the critical problems of our time.

While the most visible result of these efforts is the MacArthur board's decision to give $145 million in awards to four organizations, including a $100 million grant to Sesame Workshop and the International Rescue Committee, 100&Change has also unlocked millions of dollars in additional funds from other sources; highlighted other promising solutions to important global problems; and developed some new approaches to knowledge production, collaboration, and decision making in philanthropy.

As the 100&Change team at MacArthur—and the broader nonprofit community of which it is a part—prepares for the next open call for proposals, scheduled for early 2019, we are taking time now to summarize, reflect on, and share what we and others have learned from the first round of grants. To do this, we've invited commentary from a number of partners, MacArthur staff, and others with critical, instructive perspectives.

CONTRIBUTORS
The authors in this supplement address a broad set of issues. Though each piece speaks for itself, they are best understood in relation to each other, as they represent different viewpoints on a few cross-cutting themes.

The changes in philanthropic practices and possibilities resulting from a trend toward large grants, the potential uses and abuses of open calls and open challenges, and strategies to help foundations become more open to new ideas are addressed in "Making Better Big Bets," by Heather McLeod Grant and Alexa Cortés Culwell; "The Promise of Incentive Prizes," in which Thomas Kalil of Schmidt Futures answers questions; and "An Open-Data Approach to Transform Grantmaking," by Bradford K. Smith, president of the Foundation Center.

Observations from other funders, who are focused on early-stage innovation and on field-shaping and field-building, are provided by Carol Dahl of The Lemelson Foundation in "The Vital Role of Early-Innovation Funders" and by Michael Feigelson and Eivira Thissen of the Bernard van Leer Foundation in The Hague, the Netherlands, in "The Need to Double Down." Both of these foundations supported 100&Change grantees before MacArthur did, providing them with a close view of the effect that 100&Change had on recipients. (Note: We've also conducted an extensive set of interviews and surveys with 100&Change applicants—some anonymized and others fully attributed—and we've highlighted applicant perspectives in other venues, particularly the 100&Change website. We have not done so for this supplement, as even invitations to past and potentially future applicants can seem coercive.)

For funders considering whether to run a competition, detailed advice on managing large competitions and cohorts of grantees, as well as on the legal issues associated with competitions, are provided in "A Competition with Many Winners," by Kristen Molyneaux of the MacArthur Foundation, and in "Doing Competitions the Right Way," by Rochelle Alpert of Morgan, Lewis & Bockius LLP and Joshua Mintz of the MacArthur Foundation.

BACKGROUND
As noted by the authors of this supplement, 100&Change is driven by a complex set of opportunities and needs facing the world, the field of philanthropy, and the MacArthur Foundation itself.

There is growing recognition among foundation boards and staff that to meet emerging global challenges, philanthropy will need to greatly increase its effectiveness and the scale of the efforts it supports. The current array of projects backed by philanthropy simply may not be sufficient to meet the current set of global challenges.

Resources are a significant challenge. For effective nongovernmental organizations addressing global problems, funding at the level typically provided by private foundations is insufficient to address more than a tiny fraction of their beneficiaries. Sometimes, a single large award is needed to create lasting change, and as others have noted, capital in the quantities required to support "transition to scale"—mezzanine funding—is generally unavailable from US foundations.

The emergence of new donors presents some opportunities for those seeking larger grants. Since 2010, more than 180 billionaires from 22 countries have taken the Giving Pledge and committed to giving more than half of their wealth—estimated at more than $990 billion—to philanthropy or charitable causes. If creating a pipeline of vetted opportunities and projects can unlock more of this wealth more quickly, the world will be better for it.

Still, as Foundation Center President Brad Smith notes, most foundations resist or reject unsolicited proposals. Too many operate using opaque processes, refrain from publishing what they learn, and find it hard to work together with other funders, even when addressing global problems far too big for any single foundation to tackle alone.

100&Change aims to address these and other issues by opening the MacArthur Foundation to new possibilities and supporting the best of these possibilities with much larger awards.

CHOICES AND CONTEXT
The final shape of the competition reflected these concerns, as well as a series of decisions and trade-offs taking into account important goals and viable alternatives.

Throughout the process, we received generous help and advice from peer foundations and other funders. Some are contributing to this supplement, and others, particularly the Bill & Melinda Gates Foundation, were generous with time and insights. We found that our peers were also helpful in confronting early-stage unknowns: Would we find anything that met the criteria we had in mind? What information would our board require...
to make a decision? What was the right balance between focus and openness—i.e., how restrictive might the criteria be?

In hindsight, several decisions ended up shaping the entire process. For funding organizations thinking about making large (over $10 million) awards, engaging in donor collaboration, or managing open competitive calls, it’s worth considering some of these big takeaways.

The first was scale and timing, and the decision to make one $100 million award rather than a handful of smaller grants. A staged pipeline of projects, in which the best-performing projects are awarded increasingly larger amounts of funding, is a more typical approach to large-scale funding. But we found that it is possible to assemble this virtually by tapping the entire nonprofit sector. And while many global problems of significance require decades to address, we looked for immediate needs that could be addressed in a more or less permanent way.

A second decision had to do with focus. Prizes can focus attention on an issue, identify new approaches to a known problem, or identify a cohort of organizations working on an issue. Often, it is assumed that the funder has expertise in the problem being addressed. MacArthur's decision to instead open the call to both problems and solutions, whatever their source, reflected the recognition that the most pressing problems of our time, and the best solutions to them, might not be known to us.

So unlike the vast majority of open competitions, 100&Change was and is atheoretical. Applicants were not restricted to a particular domain or approach but were instead allowed to define both the problem and the solution, provided that both fit within broad selection criteria. (See “Criteria for 100&Change Applicants” on this page.)

A third set of decisions had to do with the reviewing and decision process. How could we best ensure that the process was open, fair, and transparent? This involved striking a balance between different possibilities. For example, confidential reviews can increase candor and lead to smart decisions, but they also conflict with our commitment to an open process. Similarly, the strict application of administrative requirements tends toward fairness, but it can also lead to otherwise unqualified applications moving on to judges, with good ideas occasionally failing to advance due to fixable technicalities.

We also sought to balance decision authority and influence between outside judges (who looked at all qualifying proposals), outside expert reviewers (who looked at high-scoring proposals), foundation staff (who worked with both sets of reviewers, as well as applicants), and MacArthur’s board (which made the final determination). To help do this, we normalized the scores awarded to applications according to whether they had been judged by relatively optimistic or skeptical individuals. (More on this at www.100andchange.org/fairness.) In the end, though, the choice of awards rested with the MacArthur Foundation’s board.

The fourth set of decisions concerned managing different groups of applicants, and the reuse of applicant data by third parties. Going into the project, our focus was finding a single proposal, but over time, that broadened to include other groups of applicants as we sought multiple benefits to participation, even if there would be only one $100 million grant.

In order to provide value to multiple applicants, we took two approaches. First, we procured training, technical assistance, and consulting advice for the eight semifinalists. This effort involved MacArthur Foundation assigned program staff as well as a number of consulting organizations, including Management Systems International, which provided planning assistance related to scaling; Bridgespan, which provided strategic feedback on pitching big ideas to donors; Mobility International USA and Access Living provided extensive feedback to semifinalists (and the MacArthur Foundation) on how proposals could be more inclusive of people with disabilities.

Second, we promoted the top 200 applications through other partnerships, including the Center for High Impact Philanthropy (see “Selecting a Pool of Bold Ideas,” by Anne Ferola and Lindsay Kijewski), the Foundation Center, and Charity Navigator. These efforts resulted in additional funding—mostly modest grants from individual donors—awarded to nearly 40 different organizations.

Although our main focus was on the needs of those organizations that became semifinalists, we also worked hard to ensure that participants were turned down respectfully and clearly. Not everyone was satisfied with the explanation received, yet the time and cost allocated to working with those who did not advance was immense.

Along the way, we also noted a number of surprises.

The first was the number of collaborations that were sparked between lead applicants and their partners. These weren’t merely handshake agreements; all told, we received more than 700 memoranda of understanding and learned that many eventually led to collaboration even in the absence of direct financial support.

The second was how awareness of the program resonated differently in different sectors. Although we actively promoted the project and received applications from more than 80 countries, certain types of programs and applicants may still have been underrepresented.

A third surprise was how the applications we collected were used by other organizations. We didn’t initially intend to become a publisher, or to encourage others to reevaluate, re-rank, and in some cases identify organizations worth funding. But the knowledge and ideas contributed by 100&Change applicants turned out to have a readership elsewhere.

**FUTURE PLANS**

We will be announcing the next round of 100&Change in early 2019. It will involve more intense collaboration with other donors, better collection and redistribution of knowledge, increased support for 100&Change applicants. We are exploring an expansion of the 100&Change platform to offer services for other philanthropists who wish to run their own competitions.