

The Evolution of Philanthropy

An Interview with **Melissa A. Berman,**
President and Chief Executive Officer, Rockefeller Philanthropy Advisors, Inc.

EDITORS' NOTE *Melissa Berman is the founding President and CEO of Rockefeller Philanthropy Advisors and has led it since its inception, building it into one of the world's leading philanthropic advisory, grant making, research and project management services. Under her leadership, RPA developed and published the "Philanthropy Roadmap" series of donor guides with support from the Gates Foundation. She developed and leads Rockefeller Philanthropy Advisors' research initiative, "The Theory of the Foundation," and is the author of multiple reports in that initiative. A frequent speaker, Berman has been a guest lecturer at universities across the U.S., Europe and Asia including Harvard, Yale, Stanford, Duke, IMD (Lausanne), Oxford, Sun-Yat Sen, and Beijing Normal University. As a widely recognized expert in philanthropy, Berman has been profiled in The New York Times and the Stanford Social Innovation Review. Recent articles she has authored appeared in Foundation Review and International Family Offices Journal. Her ideas and views are featured in The Economist, The Wall Street Journal, The New York Times, Financial Times, and the Chronicle of Philanthropy. She has been interviewed on the Today Show, NBC Nightly News, NPR, BBC Radio, CNBC-TV, and Bloomberg TV. An adjunct Professor at Columbia University's Business School, Berman is also a director/trustee of Rockefeller Philanthropy Advisors, the Adrian Brinkerhoff Foundation and the Foundation Center. She serves on the Advisory Boards of the Marshall Center for Philanthropy and Social Entrepreneurship at the London School of Economics and the Tamer Center for Social Enterprise at Columbia University. Berman holds a B.A. from Harvard University and a Ph.D. from Stanford University.*



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trusts, structures major gifts, coordinates donor collaboratives, and provides regranting and fiscal sponsorship services. Rockefeller Philanthropy Advisors also publishes, convenes and speaks about innovations in thoughtful, effective philanthropy. It annually manages or facilitates over \$250 million in giving to more than 25 countries and has offices in New York, San Francisco, Chicago and London.

What is the heritage of Rockefeller Philanthropy Advisors?

Rockefeller Philanthropy Advisors became independent from the Rockefeller family office in 2002. The leadership of the Rockefeller family made that decision because they saw the enormous increase in interest and an enormous range of new participants in philanthropy, as well as a growing number of philanthropic tools that were becoming available as the 21st century got underway. They thought it would be a great part of their heritage in philanthropy to create an organization that could work on a nonpartisan, agenda free and non-profit basis with a very wide range of donors.

Those were the founding premises for us. The number of individuals and families interested in philanthropy and willing to get engaged much earlier in their life is growing. Among the wealthiest around the world, there is now a real global culture of giving. We are increasingly working with donors in Latin America, in Asia, as well as in Europe and North America, and the level of attention to philanthropy has also grown tremendously.

How do you customize your relationships with donors?

Everything we do is customized. We do things ranging from research on how healthy food helps communities to investigating a particular kind of disease, to helping a new foundation develop its strategic plan and all of its operating systems. We manage foundations and grantmaking programs on behalf of families, companies, and other kinds of foundations. We also incubate projects that need to be housed in a public charity that are often funder collaboratives.

On the other side of one of the walls of my office is a group of foundation program people and private donors who are pooling resources to do joint grantmaking to help deal with the

impact of climate change on the oceans. They are clearly able to get a lot more leverage by pooling their resources and making a smaller number of larger grants. It's also really helpful to the non-profits, because rather than having to talk to 15 different funders, there is only one application, one set of reports, etc.

With the support of the philanthropic sector, we get funding to do research and publish, write and speak about innovations and trends in philanthropy.

Will you elaborate on the trend and movement toward collaboration that's taking place in philanthropy?

I think in addition to wanting to get involved in philanthropy earlier in their lives, many people are also looking to have a deeper level of engagement than prior generations may have wanted. As they begin to get knowledgeable about the issues, they begin to recognize that even the Gates Foundation can't solve certain issues on its own and needs to have partners and cofounders. I think that the focus on trying to understand the issues and looking at the long-term solution really is what leads people to recognize that they need to collaborate.

Is it a focus for Rockefeller Philanthropy Advisors to help foster those collaborations?

Yes, absolutely. We published a donor guide about effective collaboration. Our most recent publications are a pair of guides for donors about how they can think about aligning their philanthropy to the UN sustainable development goals. That kind of framework also helps people collaborate.

Are new models, such as impact investing, emerging in philanthropy?

Yes. It is really interesting that there is not just a new focus on impact investing, but also a focus on advocacy and movement building. As we began to think about it, the classic definition of philanthropy is private resources for public benefit, but none of that says that those resources have to be in the form of a grant. Those resources can be in the form of an investment. They can be in the form of philanthropists and foundations using their voice to advocate for change using their reputational capital and their relationships.

When we began to look at those things, we realized that many of the methods and frameworks that we have for looking at philanthropy focused almost entirely on where

INSTITUTION BRIEF *Rockefeller Philanthropy Advisors (rockpa.org) is an innovative non-profit philanthropy service launched by the Rockefeller family in 2002. It is one of the world's leading philanthropic advisory, grant making, research and project management services whose mission is to help donors create thoughtful, effective philanthropy throughout the world. Rockefeller Philanthropy Advisors develops strategic plans, conducts research, manages foundations and*

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the grant dollars go, and then measuring the impact. That is extremely important, but it's not the only resource that philanthropy has. If the Ford Foundation or Chan Zuckerberg Initiative or Michael Bloomberg make a decision about a cause that they are going to support, it has a totally different set of impacts than if somebody that we've never heard of starts to put money toward a certain cause, even if it's the same amount of money.

We have had a group of about 35 foundations funding a study of how foundations can use resources beyond grants to maximize impact, and we developed a new philanthropy framework. It says that the building blocks of every philanthropic organization, whether a foundation, an LLC, a donor-advised fund or a funder collaborative, are its charter, its social compact, and its operating model. You need to understand all of those things before deciding how you're going to implement your strategy.

How critical is it for donors to set a time horizon for their giving?

I think it's critical for foundations and philanthropists to make an active decision, not a passive decision, about it and also to revisit that decision every now and then. There are many foundations that are set up in perpetuity and are committed to that format for the foreseeable future. In many cases, that is a carefully reasoned and appropriate decision. If you're one of the few sources of philanthropy in a region that has a lot of complex, challenging issues, you probably are correct in thinking that you need to be able to operate in a way that will allow you to be around for many, many decades.

For example, we talked with the Virginia Piper Charitable Trust, which is in and focuses on the Phoenix, Arizona area. That region has massive challenges in terms of poverty, healthcare disparities, immigration issues and educational disparities, and there aren't that many philanthropies in the region. So the Piper Charitable Trust is dealing with many very long-term issues that will take a lot of time to fix. Planning to wrap up their work and achieve their mission in a 10-year timeframe is probably not realistic.

Other funders who are, for example, looking at climate change are very clear that, if we don't start to tip the scales in the next five to 10 years, the costs and the consequences will be extremely challenging. You see entities like the Merck Family Foundation and the MacArthur

Foundation spending on the environment at a much faster rate out of their endowment than they do for other kinds of issues.

Have you been surprised by the globalization of philanthropy?

If you think about how global most businesses are, and you also think about how many global challenges such as climate change and food systems there are, you recognize that these are not things where you can just focus on a particular area, because these issues don't respect national or regional borders.

Many people who are leaders have been educated globally, have global relationships and participate in events like the World Economic Forum. Their outlook on issues is influenced by what they have learned and what they have experienced professionally. The Internet has opened up the world to many people, even if they can't go there personally. The ability to really have a sense of what's happening in other places is phenomenal. So I don't think it's that surprising. Coupled with that, I think that in many places people have less faith in the public sector to solve problems and higher expectations that wealth holders and businesses have a responsibility to try and solve problems.

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Will addressing and solving these global societal issues be driven by the private sector and philanthropists or does it need to be a public/private partnership?

I think the right formula is going to be a combination of public and private, including

public/private impact investing collaboration. If you look at the estimates of what it will take to achieve the sustainable development goals developed and approved by all the countries that participate in the United Nations by 2030, there's a funding gap of \$2 trillion to \$3 trillion per year.

That money can't just come from private philanthropy. It can't just come from the public sector. It probably can't just come from the business sector either. It has to come from a combination of all sectors, as well as impact investments that harness the power and resources of the capital markets.

With the growth that Rockefeller Philanthropy Advisors has experienced, how critical has it been to attract and retain top talent?

It's been a wonderful opportunity to see the potential that the group had in its early years and recognize that some of the folks who were on the team then are still with us 18 years later. The opportunity that Rockefeller Philanthropy Advisors presents, and the access that we've been able to have, is due almost entirely to the global stature of our founding family and this makes it an interesting and innovative place for people to work.

Clearly, we could not have achieved what we've been able to do over the years, nor be advising, on average, more than a quarter billion dollars a year to more than a couple dozen countries, if we didn't have a fantastic team of talented people who are able to get up to speed on different issues, cultures, geographies and approaches in short order and who really relish doing this work.

Was this type of work something you knew was a passion of yours early on?

It was not what I expected at all. For the first almost 30 years of my life, I thought that I was going to be a professor of medieval literature. Then, I started getting involved in the relationship between business and society at The Conference Board and I became very interested first in corporate philanthropy and then in the broader field of philanthropy, but that did not happen for me until relatively much later in my career.

There is an element of luck involved in that a friend gave my name to the search firm and the Rockefeller family members decided to take a chance on somebody who wasn't part of the traditional private philanthropy sector. ●