MLD-812M

Mondays and Wednesdays, 2:40PM to 4PM in L140

Instructors:
Jim Bildner
Adjunct Lecturer in Public Policy
Senior Research Fellow
Hauser Center for Nonprofit Organizations
Belfer-121
Phone: 617-495-6513
Jim_Bildner@harvard.edu
Assistant: Abby Crocker, acrocker@newhorizonspartners.com

David Wood
Director
Initiative for Responsible Investment
Hauser Center for Nonprofit Organizations
Belfer-102
Phone: 617-384-8322
David_Wood@hks.harvard.edu

Faculty Assistant:
Klara Kabadian, Klara_Kabadian@harvard.edu

Course Assistant:
Mike Conway, mike_conway@hks13.harvard.edu

Course Objectives:
The primary purpose of this module is to introduce and critically analyze cutting-edge ideas of foundations, nonprofit organizations and social enterprises to extend their capacity to solve complex societal issues. Foundations, NGO's, policy makers, venture philanthropists and other "social good" enterprises are developing new tools and strategies, often drawn from the private sector, to meet complex societal challenges. In this course, we scrutinize the strengths and weaknesses of emerging strategies in the field to enhance capacity, reach and impact. We focus especially on the role that foundations may or may not play in catalyzing social innovation in the nonprofit, private and public sectors.

Key questions include:
1. What is the inherent role of Foundations and NGO’s in society? Are they catalysts for change, stop gap providers, leading indicators of need or substitutes for sovereigns?
2. How can these foundations build collaborative models to extend their resources to address society’s increasing complex problems?
3. How can foundations and other investors adopt new capital strategies to achieve social goals?
4. What is the role that new types of organizations – hybrids with characteristics from both the private and nonprofit sectors – can play in tackling complex problems?
5. What skills do the next generation of philanthropic and other leaders need to meet the challenges and opportunities that these new strategies present and how different are they from the past?

Course Materials:
Course materials for MLD-812M will be available on the course website.

Course Requirements:
Students in MLD-812M will be evaluated in the following areas:

Mid-term Paper (30%): Each student will complete a 3-5 page analysis of a particular problem raised in class or the readings, with special attention to how the "new" approach to this problem can materially improve on previous efforts to solve a complex problem with a more conventional approach.

Final Paper (40%): The final paper will be an 8-10 design exercise, for which each student will lay out the organizational principles for a foundation led collaboration, a new investment fund or targeted financial instrument, or hybrid entity meant to address a specific social problem. The final paper should demonstrate familiarity with the concepts, readings and theories advanced through the course and provide detailed expected returns, outcomes, and anticipated methods for evaluations.

Class Participation (20%): Given the dynamic nature of the subject matter and its currency, active class participation is essential and will greatly enrich the course. Contributions to class should reveal a substantial familiarity with assigned readings, a capacity to analyze the issues and problems under discussion, and an ability to provide constructive and substantive feedback to classmates. Assigned readings are to be read before the first day of class each week.

Attendance at Panels/Conferences (10%): A unique element of this module is a series of optional co-curricular panels and conferences that will be happening throughout the term. Given the contextual relevancy to this course, we think students will benefit enormously from attendance at some of these events, which will provide opportunities for small groups to talk with leaders from the field about their work.

Course Outline, Schedule, and Topics/Readings

Jan 24: 4:10-5:25pm MLD 812 Shopping Day (L230)
Course overview & expectations
Jan 28: Introduction/Course Overview – Understanding the historical institutional role philanthropy has played and how and why the “new frontier” is different.
Jim Bildner & David Wood-both lead on 28th

Discussion Questions: 1) what role does/should philanthropy play in solving societal problems? 2) What authority has been granted to philanthropic institutions as they have evolved? Who regulates them? 3) Why are foundations looking for new strategies? How do they identify them? 4) What are the challenges that philanthropic institutions face? And what is different about new emerging models—is it mission? Organizational capacity? Access to new capital or just new funders?

Readings:
Rout, Lawrence, “Giving Away Money Wisely,” Wall Street Journal, November 28, 2011, pp.1-5, the rest is optional (on course website).


Miller, Clara, “The World Has Changed and So Must We,” F.B. Heron Foundation, 2012 (on course website).


Jan 30 & Feb 4: Can Philanthropy Save a City? Kresge in Detroit
Jim Bildner – lead on 30th and 4th

Discussion Questions: (1) Defining the problem—what exactly was/is Kresge (and its coalition of peer funders) trying to accomplish in Detroit and is this the role of philanthropy? (2) Are there any limits to philanthropic intervention? Can foundations impose conditions on municipal political leaders and governments as a condition of funding—and even if they can—is it legal? (3) When foundations step in—who are they displacing?
NOTE: CO-CURRICULAR PANEL DISCUSSION, February 4th, 4pm, Location: Land Lecture Hall. KRESGE AND DETROIT: LESSONS IN REAL TIME. David Wood to moderate.

Readings:


Overall Framing – The Situation in Detroit


Detroit Decline

Kwame Kilpatrick:

Mayor Dave Bing/Government Finance/Emergency Management:

Transforming Detroit


**Kresge’s Role in Detroit**


**Feb 6, 11**

**Two Models for Rethinking Philanthropy – Microfinance and Collective Impact**

**David Wood**-lead on 6<sup>th</sup>; **David Wood**-lead on 11<sup>th</sup>

**Note:** Midterm paper due February 25th

**Discussion Questions:**
(1) What does the idea of collective impact respond to?  
(2) Does collective impact change the idea of what foundations should do?  
(3) What does the example of microfinance tell us about capital strategies?  
(4) What does the evidence from microfinance tell us about capital strategies?  
(5) Why are the ideas of collective impact and microfinance appealing to foundations?

**Readings:**


Optional Reading:

Bruck, Connie, “Millions for Millions: This year’s Nobel Peace Prize Winner and Some High-Tech Entrepreneurs are Competing to Provide Credit to the World’s Poor,” October 30, 2006. [http://www.newyorker.com/archive/2006/10/30/061030fa_fact1](http://www.newyorker.com/archive/2006/10/30/061030fa_fact1)

Jim Bildner & David Wood-leads

Discussion Questions: (1) What does it mean to adopt capital strategies to achieve social goals? (2) What are the tools foundations and other investors can adopt to implement capital strategies? (3) What potential do these strategies hold for social change?

Readings:


The Global Impact Investing Network – tour the website www.thegiin.org

Mission Investors Exchange – tour the website www.missioninvestors.org

Feb 18: President’s Day Holiday, no class

Jim Bildner & David Wood - both leads

Discussion Questions: (1) Who and what are these new models? (2) Are they really different? (3) What new resources do they bring to the table?

Readings:


Jim Bildner - lead on 25th; David Wood - lead on 27th
**Discussion Questions:**
(1) What does the market for impact investing look like?
(2) How do investors identify opportunities to pursue social goals through investing?
(3) What are the conditions – and public policy frameworks – that enable impact investing?

**Readings:**


*Investing in What Works for America’s Communities,* Federal Reserve Bank of San Francisco and Low Income Investment Fund, 2012, Selections (class handout).


http://www.ssireview.org/blog/entry/the_trouble_with_impact_investing_part_1

http://www.ssireview.org/blog/entry/the_trouble_with_impact_investing_part_2


IRIS Indicators Library: http://iris.thegiin.org/iris-standards

**NOTE:** **HKS FRONTLINE FACULTY SEMINAR WITH CLARA MILLER,**
PRESIDENT, F.B. HERON FOUNDATION, “THE WORLD HAS CHANGED AND SO MUST WE,” **February 26th, 4:15PM – 5:45PM, Location: NYE A.**
March 4, 6:  Changing the World—Exemplars—Grameen America, FreshWorks Fund and Social Enterprises That Make A Difference
Jim Bildner-lead on 4th; David Wood-lead on 6th

NOTE: CO-CURRICULAR PANEL DISCUSSION - MONDAY, MARCH 4 – 4:30 – 6 PM, LOCATION LAND LECTURE HALL. MOVING THE CONVERSATION FORWARD: A CONVERSATION FROM THE FRONTLINES WITH ALEX COUNTS, PRESIDENT & CEO, GRAMEEN FOUNDATION, BOB EICHFELD, VICE CHAIR, GRAMEEN FOUNDATION, FRESH WORKS (TBD), CALIFORNIA ENDOWMENT PANELISTS.

Readings to be assigned. Discretion on final papers.

March 11:  Are Outcomes Measureable and Who Really Cares?
Jim Bildner-lead

Discussion Questions: (1) How do you know if you’ve succeeded? (2) What does success look like? (3) What does failure look like? (4) Can they be measured?

Class Objective: Noise around measuring impact has nearly reached a crescendo of late—but can impact really be measured? And if so, how? As Brest says, sure, you can measure the success of a de-worming project in Africa, but creating system changes—political or otherwise--maybe harder to measure in the near term. As you consider your team’s philanthropic strategy what are your team’s expectations on measuring impact or do you care? How do you assess potential effectiveness and relative effect of programs?

Readings:


[http://www.ssireview.org/blog/entry/impact_investings_three_measurement_tools](http://www.ssireview.org/blog/entry/impact_investings_three_measurement_tools)

March 13:  Wrap Up and Where Do We Go From Here?

Final Paper due March 22, 2013, no later than 5pm EST.